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ABSTRACT

Joint hearings of the U.S. Senate and House of Representatives on reauthorization on the Higher Education Act are presented. The hearings, which were held in Vermont, focus on recommendations of the Vermont Higher Education Council. Also considered is the Reagan Administration's fiscal 1986 budget proposals, which would cut $2.3 billion from the higher education budget, and would reduce federal financial aid for college students. The Vermont proposal is against block grants, loan caps that do not recognize a family with more than one child in college at once, and total financial aid caps that put most private colleges and several public colleges out of reach of low income students. It is suggested that Congress should consider how the current act can be adapted to meet at least four major trends of the 1980s and 1990s: demography (i.e., fewer 18-24 year olds); technology (i.e., the need for new skills and a humanistic environment); international trends (i.e, developing cultural awareness and language skills); and financial problems. The testimony covers the various titles of the act, including: student financial aid, college libraries, international education, teacher corps and teacher training programs, academic facilities, and cooperative education. (SW)

S. HRG. 99-63, PT. 1

REAUTHORIZATION OF THE HIGHER EDUCATION ACT, 1985

ED262685

JOINT HEARINGS

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, ARTS AND HUMANITIES

OF THE

COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

AND THE

SUBCOMMITTEE ON
POSTSECONDARY EDUCATION

OF THE

COMMITTEE ON
EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

FIRST SESSION

ON

EXAMINATION OF RECOMMENDATIONS AND PROPOSALS OF THE ADMINISTRATION AND OTHER EDUCATIONAL COUNCILS REGARDING THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT

FEBRUARY 14 AND 15, 1985
BURLINGTON, VT

PART 1

Printed for the use of the Committee on Labor and Human Resources and the House Committee on Education and Labor

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REAUTHORIZATION OF THE HIGHER EDUCATION ACT, 1985

THURSDAY, FEBRUARY 14, 1985

U.S. SENATE, SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES, AND THE SUBCOMMITTEE ON POSTSECONDARY EDUCATION OF THE COMMITTEE ON EDUCATION AND LABOR, HOUSE OF REPRESENTATIVES,

Burlington, VT.

The joint subcommittee met, pursuant to notice, at 1:35 p.m., in the Oak Room, The Holiday Inn, South Burlington, VT, Senator Robert T. Stafford, chairman, presiding.

Present: Senator Stafford, Representatives Jeffords and Roukema.

OPENING STATEMENT OF SENATOR STAFFORD

Senator STAFFORD. The joint meeting of the Senate Subcommittee on Education, Arts and Humanities and the House Committee on Education and Labor will please come to order.

We welcome all of you present. We are delighted to see so many people interested in education here, and we apologize for the size of the room. We have done the best we can, and events of the last few days obviously have increased interest in higher education.

As chairman of the Senate Education, Arts and Humanities Subcommittee, I want to, as I have said, welcome all of our guests to this first hearing to be held by the House and Senate Committees on the reauthorization of the Higher Education Act.

First, I want to thank my two colleagues who join me in holding this hearing, Congressman Jim Jeffords, who is now the ranking member on the Republican side of the House Education and Labor Committee, and Congresswoman Marge Roukema, a member of the same committee from the State of New Jersey. I count Jim Jeffords and Marge Roukema among the best friends of education in the U.S. Congress. I am delighted they will be here with me to hear the comments and recommendations of Vermonters on the way higher education programs work in Vermont, and how they might be improved in the future.

When I was anticipating some difficulties in reauthorizing the Higher Education Act 1 year ago, I asked the Vermont Higher Education Council and the Vermont Association of Financial Aid Administrators to help me draft a higher education bill. That report is now completed after many hours of hard work by dedicat-

ed administrators and professionals who make up Vermont's higher education community.

Over the next 2 days, we will hear testimony from many Vermonters. We will be especially interested in the experience of students and parents who are directly affected by the programs, as well as those who authorized the report. I look forward to hearing from each and every one of you, as do my colleagues.

When we began to set up this hearing in early January, I had no idea, frankly, that student financial assistance, the major component of the Higher Education Act, would receive the amount of publicity it has in recent weeks. In fact, since I arrived in Vermont last weekend, the storm of controversy created by the administration's proposal to drastically cut aid programs has intensified. It is quite obvious that tremendous confusion exists among our students, their parents, and school administrators as to the future availability of financial aid. And after 2 years of stability in the program, I think it is particularly unfortunate that we are now running into a period of very high turbulence.

The new Secretary of Education, William Bennett, has done little to calm the near panic that continues to grow on high school and college campuses. Regrettably, the Secretary's comments at a news conference whis week show, in this Senator's opinion, contempt for students, as well as parents, and suggest a complete misunderstanding of the financial realities faced by low and lower middle income families today. These families are not asking, nor have they ever asked for a handout from the Federal Government. They are only asking for a hand in meeting skyrocketing education costs that the student will repay after leaving school. The guaranteed student loan program is the only one that provides assistance to the young people from middle-income families.

As those of you in this room know, without such assistance, many young people in Vermont, and indeed, throughout the United States, would be unable to attend the college of their choice, or to attend college at all.

I want to say to the millions of high school students preparing to enter college, and those students already there, that I will do everything in my power, as I believe my colleagues here with me will, to fight all efforts to reduce the financial aid available to them and, more importantly, I believe we have the votes to win.

Mr. Jeffords?

Mr. JEFFORDS. Thank you very much, Senator, and I certainly agree with everything that you have said. I can see from those in the room that we do have an obviously interested audience.

Let me first put things in total perspective. We should try and address all of these matters under the budget restrictions.

President Reagan had three basic goals when he came into office. One was to substantially reduce the taxes, in order to reinvest money into our economy. That has been done, to the tune of a loss of revenues of over $100 billion.

Secondly, he wanted to substantially increase the amount of money being spent on defense. This he has done to the tune of over $100 billion. The net result has been a deficit of over $200 billion.

Phase three was to ask the question: What should the Federal role be in certain social programs? That is why we are here today.

To discuss, whether or not the Federal role is appropriate, as of now, or whether it should be seriously redefined, as the administration's proposal would have us do.

The basic question is what kind of access are we going to give our students to higher education. At present we have policies which allow students access to most private and public institutions in this country.

The proposals of the administration would redefine that role to say that we should not allow students to attend other than below-average-cost, State institutions. In other words, put a cap of $4,000 when the average State college is around $4,900. This obviously is going to have a dramatic effect, not only on thousands, hundreds of thousands, or millions of students, but could be of serious impact, if not the death knell, to thousands, or at least hundreds of colleges throughout this country.

These hearings mark the beginning of an important undertaking, the reauthorization of the Higher Education Act. What is developed by the Congress will determine the basic structure of the Federal support for higher education into the last decade of this century.

In considering this legislation, I believe the Congress must look not only to the immediate realities in needs of higher education, but also to what the future will require. I believe that we must approach this reauthorization with a commitment to assuring that a strong, dynamic, and responsive system of higher education will be present into the next century.

And, in this regard, the work of the Vermont Higher Education Council is to be applauded. The recommendations that you have developed reflect a consciousness that the programs and policies which have been developed over the last 20 years may need to be reviewed. I believe that we must have the courage to question some of the existing assumptions regarding postsecondary education.

If we are to produce a reauthorization bill it would enhance the ability of higher education systems to support our national purposes. The recommendations of the higher education council were developed with a conviction that a strong Federal role in supporting higher education is not only desirable, but is necessary.

Unfortunately, this philosophy does not appear to be shared by the administration. Just last week the administration made proposals that go in the other direction, decreasing Federal support for higher education.

Although our hearings today and tomorrow will be focusing on the recommendations of the council, I would like to say a few words about the administration's fiscal 1986 budget proposals.

In a word, these proposals are detrimental for higher education. Not only in Vermont, but across the country. I feel confident that the Congress will reject them. If these proposals were enacted, a full $2.3 billion would be cut from the higher education budget. Students from all income categories would have their Federal aid reduced or eliminated.

As a result, over 800,000 students currently eligible to receive full Pell grants would be removed from the program. In the Guaranteed Student Loan Program, about 1 million students would be cut, similarly, funding for the campus base programs would be dra-

matically reduced. There would be no new funds for the National Direct Student Loan Program, or for the Supplemental Grant Program, as we know it today.

Because of the higher tuition, and other educational costs faced by Vermont students, enactment of the administration's proposal would have a disproportionately severe impact in our State.

Some students enrolled in our independent institutions would have the rate reduced by as much as $5,000 per year. In total, I would expect over 60 percent of all Federal aid recipients in Vermont to have their eligibility either reduced or eliminated.

As I noted earlier, I am confident that we will reject the shortsighted, destructive proposals. I believe, however, that all of us are interested in aggressively reassuring students and parents, that the aid that they need and expect to be able to study in our State will continue to be available.

We must avoid a repetition of the experience in 1981, where mere discussion of the negative ramifications of a similar set of administration proposals convinced many students to change their educational plans.

In closing, I would like to express thanks to the individuals who helped organize these hearings. I would also like to thank my colleagues, Ms. Roukema, and of course, my good friend, Senator Stafford, for being here with me today, to help focus attention on these very critical and very serious problems that we are faced within the Congress.

Senator STAFFORD. Thank you very much, Jim.

Congresswoman Roukema, we would be delighted to hear from you.

Ms. ROUKEMA. Senator Stafford, my colleague, Mr. Jeffords, it is a real pleasure for me from New Jersey, to be here with you today, as a member of the Education and Labor Committee, it is my privilege to be coincidentally here at the time when you are discussing an issue that has been very close and dear to me, and a top priority of mine since I entered the Congress in 1981.

Mr. Jeffords, it is with a sense of deja vu that I come here. I happen to be in Vermont on vacation, and there could not have been a more fortunate coincidence for me to be here at the time when you are discussing the Student Loan Program, among other subjects. The deja vu comes, because I as a freshman Congresswoman in 1981 held my first series of community roundtables in my own distruct in New Jersey, and found that the only subject of conversation and discussion at that time was the Student Loan Program.

It was, they were, the discussion was initiated by students, by parents, not by the professional academic establishment. These were grassroots concerns, expressed to me. It was because of that, if you will remember, Jim, that you and I and others met with David Stockman, very early in 1981, expressing our concerns about the devastating effect that the proposed cuts would make on students at that time.

As a consequence of that, with Senator Stafford's leadership, we developed a means test. The means test at that time not only preserved the Student Loan Program for those students in greatest need, but also foreclosed abuses in the loan program, and saved the

Federal Government somewhere in the vicinity of $3 billion over a 3-year period. And I think we could be proud of the work that we did at that time.

Your comments concerning the depths of cuts that are proposed here, and the devastation that it would entail to students and parents not only in Vermont, but across the country, I think quite accurately reflect my own feeling. I do not know what the answer will be.

We have got to do what we can to reach some cost-effective savings, but not at the expense of foreclosing, postsecondary as well as graduate education, particularly for middle class students, and that is why I am pleased and privileged to be here today, to hear what we can from those who know and understand the program.

I am here willing to listen, and please help us.

Thank you very much.

Senator STAFFORD. Thank you very much, Ms. Roukema.

Now we will go directly to witnesses. I particularly want to thank Dr. LaCasce, who will be the first witness, for all of the work and the leadership that he has exercised in preparing these recommendations for our consideration in Washington. I am sure they are going to be very helpful, and I apologize, as always, to witnesses who have worked so hard to prepare material for us, if we run into severe time constraints at an affair like this.

I think that Dr. LaCasce and the witnesses who will follow, all know that we have asked them to confine their remarks to 5 minutes or less. If there are prepared statements, we will place them in the record.

With that, Doctor, you are on.

STATEMENT OF DR. STEWARD LaCASCE, PRESIDENT, BURLINGTON COLLEGE, AND THE VERMONT HIGHER EDUCATION COUNCIL

Dr. LACASCE. Thank you, Senator Stafford.

Since I was responsible for putting the agenda together, I gave myself 10 minutes.

Senator STAFFORD. All right. [Laughter.]

Dr. LACASCE. Senator Stafford, Representative Jeffords, Representative Roukema, other members of the Washington delegation, on behalf of the Vermont Higher Education Council, I would like to thank you for this extraordinary opportunity to present the Vermont perspective on the reauthorization of the Higher Education Act of 1965. For the most part, the testimony you will hear this afternoon and tomorrow supports a written report prepared over the past year by members of the council, and unanimously endorsed at the council's annual meeting last November. Copies of the report have been made available to you.

Our basic message is this: "The Higher Education Act ain't broke, and it don't need fixing. What it needs is a good oil and lube job."

The original purpose of the act is still being fulfilled. Our higher education system is still the strongest and most diverse in the world. It is still, barely, available to all qualified students without

regard to their economic background. It still provides democracy's most important resources for the future, an educated citizenry.

To sustain the act's purpose as we move into the next decade, the Congress must resist simplistic proposals for change. I speak, for example, of:

Block grants which could cripple the act's effectiveness in serving a diverse student population, and which could make it easier in the future to cut appropriations.

Loan caps that fail to recognize such obvious exceptions to the rule as a family which has more than one child in college at the same time.

Total financial aid caps that would put most independent colleges and several public colleges, out of reach of the low income students.

Instead of such simplistic proposals, the Congress should consider carefully how the current act can be adapted to meet the challenges of at least four major trends of the 1980's and 1990's.

No. 1, demographic trends that reveal a shrinking college-aged population, and a growing adult population with special educational needs.

No. 2, technological trends that suggest a need not only for career training and retraining, but also for strengthening humanities and social studies to help us control—not be controlled by—the brave new world we are creating.

No. 3, international trends that require increased understanding of other cultures and languages if we are to remain economically viable in world markets, and—most importantly—if we are to maintain the peace on which the survival of humanity depends.

No 4, financial trends that indicate little hope for growth in any part of the Federal budget except interest on the national debt.

I list financial trends last, not because they are necessarily the most important, but because they cast a shadow over any hearings such as these that have budgetary implications. I know that I am preaching to the converted when I say this, but as you listen to testimony this afternoon and tomorrow, always remember that the students whose future will be affected by the reauthorization of the Higher Education Act will be the ones to support us in old age, to use the new technology, to preserve the peace, and to pay the interest on our deficits.

I, for one, want those students to have all the help that our educational system can give them. [Laughter.]

Senator STAFFORD. Thank you very much, Dr. LaCasce, again, for all the work you have done to help us with this difficult problem.

I think I will ask you just one question. If you could, would you please comment on what has been the impact on your institution, of all the turbulence since the proposal by the administration to cut the guaranteed student loan, and the Pell grants, and the other programs, and especially the comments of the new Secretary this week?

Dr. LACASCE. Probably my financial aid department could answer that most effectively, but I know that they have been beseiged by students who are concerned about whether they can return to college next year.

Senator STAFFORD. I recall, as my colleague, Jim Jeffords said, in 1981 at least one of our institutions, whose president is here today, I think told me that in light of the turbulence at that time, some 80 students feared that there would be no help for them in the next semester, and dropped out of his school. Are we liable to have something like that happen here now?

Dr. LACASCE. There is certainly that possibility, or indeed, probability. On my own campus the threat of cuts has reduced progressively over the last several semesters the average number of credit hours that our students take. We are becoming more and more a part-time college, because students simply cannot afford to go at the rate that they would like to.

Senator STAFFORD. Thank you very much, Dr. LaCasce.

Congressman Jeffords?

Mr. JEFFORDS. I would like to follow up briefly in that area. What do you believe the impact would be on your own institution then, from your knowledge of other institutions in this State, of the caps proposed by the administration with respect to the total amount available. Is $4,000 the cap imposed upon the student loans as well as the parent loans?

Dr. LACASCE. I should answer simply parenthetically that my own institution serves a predominantly large number of low income students, so that the cap on the loans would have less impact than it would on a number of other institutions in this State. The $4,000 cap would put us out of business.

Mr. JEFFORDS. I guess that says it.

Ms. ROUKEMA. That was rather startling. But the statement $4,000 would put you out of business, although you are a low income college?

Dr. LACASCE. Yes.

Ms. ROUKEMA. Is that correct?

Dr. LACASCE. Correct. We are an independent low income college, so that we do not have direct institutional support, you know, from Federal or State sources.

Ms. ROUKEMA. Dr. LaCasce, my concern has been, how do we find the level at which an institution such as yours can continue to be viable, and yet not have a situation where open endedly students are given choice, irrespective of their own financial limitations, in other words, it is a philosophical as well as an economic question, if you understand the question I am posing.

I think that many taxpayers are concerned that perhaps the aid is being given so generously that it is providing an option that in truth we cannot provide to all students. Therefore, how do we provide aid for the greatest number, how do we reach that level? Do you have any ideas on how we Members of Congress can make that quantitative analysis?

Dr. LACASCE. It would be very difficult for anyone to make that in broad rulemaking authority that you would have to make it in. When I say that we serve a large number of low income students, we serve students, primarily adult students coming back to school. A great many of them who have very poor academic backgrounds. If you looked at their test scores, which is what Mr. Reagan would have us look at, they probably have not taken them, for one thing. But if they had taken them, they probably would score very low.

Some of those students, once they get into school, can get some idea of what the possibilities are, see some of the doors beginning to be opened, and take off and become incredible students. I would hate to see any kind of program that would deny them that opportunity.

I would also say, though, in response to your very heavy responsibility of facing those deficits, and still funding higher education, that a very good friend of mine said at one point that the higher education industry is going to have to look at its own housekeeping, just as hospitals have, that we cannot have runaway expenses, increasing tuition without limit. That we have to find ways ourselves of taking care of our own.

Ms. ROUKEMA. Tuition inflation? Deal with the tuition inflation?

Dr. LACASCE. Yes.

Ms. ROUKEMA. Thank you very much.

Senator STAFFORD. Thank you very much, Doctor.

Since you used the term incredible students, I can recall, I think, some of the faculty using that term with respect to me at one time. [Laughter.]

They had a different meaning in mind. [Laughter.]

Thank you very much, sir, we really appreciate it, and we are going to follow you with the Lieutenant Governor of Vermont. We are very honored that Peter Smith is here and, if you are ready, you are on.

STATEMENT OF HON. PETER SMITH, LIEUTENANT GOVERNOR, STATE OF VERMONT

Mr. SMITH. Well, I do not know if I am ready.

Senator STAFFORD. But you are on, any way.

Mr. SMITH. But I am on, any way.

Senator Stafford and Congressman Jeffords, and Congresswoman Roukema, it is nice to meet you, in the latter case, and see you again, at all times, in the former two, and especially thanks for allowing me to be part of this.

I want to congratulate you on, I think atypically a Vermont innovative approach, and that of having the VHEC do the review that they have done, and as I was sitting and listening to Dr. LaCasce make his statement, I thought maybe once again Vermont can send a message to the rest of the country, starting with this hearing today, not only about the importance of higher education, but also about the capacity of the traditional, the 4 year, the 2 year, the multiple university, the low income, low access, and the innovative. All those different kinds of institutions to work together, in a greater common good.

You do not see it. Not only in every State in the Union, you do not see it in any States of the Union, and yet we take it for granted, here in Vermont, that when there is some kind of greater good to be achieved, the people will work together. And I think we can send a message today, not only about that, and the nature of higher education in our State, but more importantly, the contents of the reauthorization report, the fact that one of the major institutions that makes our country and its dream a gem among the family of Nations is the commitment to educational access for all

people, regardless of their ability to pay, or their proximity initially to institutions.

Now, we take it for granted, and yet it is not something that any other country attempts to do on the scale, or with the success that the United States of America does.

I would like to speak first as a former college president, and then I would like to speak as Lieutenant Governor, and I am only going to take 5 minutes, I promise you, and then I would like to speak technically on why I am here, and that is as chairman of the board of directors of the Fund for Improvement of Postsecondary Education, an extremely important, and happily, very small, very effective program.

As Lieutenant Governor, and one who watches money here, I would simply say I accept the imperatives that you face collectively in the Congress. You are going to have to find somehow, some place in the neighborhood of $50 billion. You are going to have to find it, I hope, obeying a social maxim that I know you three share, and I hope a majority of the Congress does, and that simply is that for this society to buy the pain we have to spread the pain. We have to spread it to people who pay the bills, and that means some taxes. You have to spread it also to people who would spend more of our money on defense. That means we have to restrain that spending.

And a policy, I think, which attempts to extract it all, or the majority of it, of the savings which need to come, from domestic programs, from education, is simply not a policy that will meet the tenets of fairness that we practice in this State, and that I think the country believes in.

Speaking as a college president, I would only observe, as a former college president, it has not been that long, I would have to ask where the deficit came from. And I really do not believe that student financial aid programs, and title III, and NIE and FIPSE are the source of the deficit that we are dealing with.

Things may have changed since I was a college president in this State, but when I wanted a screwdriver, I went down to the hardware store and got one for $6.99, and if I needed a Phillips, I probably borrowed it from the guy up the hallway, but we never paid $1,500.

Now, I never had to purchase toilet seats——[Laughter.]

And I don't intend, nor have I surveyed the purchasing of toilet seats requirements of the current college presidents, and I just have to tell you that I believe that they are able to strike a better deal, even after publicity has been given, a better deal than other sectors of government were able to strike on a recent batch of toilet seats.

Now, I have not seen the toilet seats, so I may have missed something, and I would say finally, that our students, and I know this is really tomorrow's topic, but our students here in Vermont, and I believe in many States in this country, are good risks. They are good risks academically, they are good risks financially, and you are going to hear that tomorrow, and they appreciate the value of the dollar, they pay their bills, and I think that is because there are not many dollars up here, either for people, or for government,

or for institution, and people know they need them in order to go to school.

So I hope that when you get to the student aid section tomorrow you will pay particular attention to the needs, both to guaranteed student loans, and also the Pell grants.

On to FIPSE. A small program, I support the language in the reauthorization package that the Vermont Higher Education Council put together. I would tell you two or three things about FIPSE. It is almost as if, in the initial language I got from the administration, or in the administration version, I do not get much from the administration these days, that all the reasons for what is one of the most striking successes in a Federal program are now being used against that program, and that is a form of inverse thinking that I had a hard time time getting my teeth around. Eighty-eight percent of the program grants given by the Fund for Improvement of Postsecondary Education result in being taken over by the institutions. The applications are up, the number of grants are down, they have not had an increase in funding in 3 years. The focus is on the cutting edge. It is the only program who funds people who implements, who funds institutions, who funds change. The fact of the matter is it is venture capital, $13 million, I think, in the current year are 11.5.

Venture capital for all the kinds of change that educators think about, but cannot find a tiny margin to do something about, and to learn enough about, so that they could go ahead. In this State alone, and this is a common story, with the Fund for Improvement of Postsecondary Education, not would their support of a great institution, the Community College of Vermont, but also of other institutions, they have over the last 15 years changed the face of access, changed, helped to change practice, so now half of the institutions in the State of Vermont educate adults, welcome part time students, educate on the weekends, educate at evening, educate working people, the patterns have changed in this State, the difference between night and day, was Goddard College all alone, 15 years ago, and now it is a practice adopted by a majority of our institutions, to the betterment of the State, the betterment of the students, the betterment of the institutions.

That kind of impact should not go unrewarded, and I hope that FIPSE will receive some at least of the protection that we need in order to have them there.

Thank you very much for the opportunity to speak.

Senator STAFFORD. Thank you very much Governor.

Would you agree that in this modern and sophisticated technological world that a Nation that neglects the education of its young people risks failure in the future?

Mr. SMITH. There cannot be any doubt about it. If you look at the trend, and I will take, I think there is an emerging consensus that in fact we need to work on our childrens' ability to develop their ability to learn throughout life. That, the Lord knows is a tall task.

Look at the most recent UAW-Ford-Chrysler-GM contract, to flip to really where it becomes real. How did that benchmark contract, how did it almost hang up, why did they almost go to strike? Not over the wage provisions, but over the quality of work life, retraining and relocation provisions.

In fact, our schools more than ever need to not only prepare young people and adults to enter the work force and hold on, but then to be able to learn as a matter of survival through our economic, I think, as well as civic and human survival throughout their lives.

We are seeing it now spreading out, and I think we will look back and believe that those UAW contracts were benchmarks, as Reuters on wage and price structure were in the mid-fifties.

Senator STAFFORD. Than you very much, Governor.

Congressman Jeffords?

Mr. JEFFORDS. I do not have any questions, other than to commend you also on your elevation to the Carnegie Foundation, which I think is going to be a real challenge. I know you will do an excellent job.

Mr. SMITH. I know I will gain, I am not sure about them, but thank you. [Laughter.]

Mr. JEFFORDS. Thank you.

Mr. SMITH. Thank you, Congressman.

Senator STAFFORD. Congresswoman Roukema?

Ms. ROUKEMA. Could you give me one or two other examples, additional examples of the use of FIPSE funds here in the State of Vermont? You refer to them as venture capital.

Mr. SMITH. Well, what I mean by that is——

Ms. ROUKEMA. I have not had the opportunity to read the report.

Mr. SMITH. OK.

Ms. ROUKEMA. I will do that.

Mr. SMITH. That is the, the report in fact looks at the country, and the language in the report does not deal specifically with Vermont. It is just that my institution received, when I was a college president, a great deal of money from the Fund for improvement.

Ms. ROUKEMA. I see.

Mr. SMITH. So, I am a great fan, as well as a beneficiary, some would say.

The other example that I know of, I do not know if any of the other institutions have received, yes, Castleton State College has a FIPSE Program, had to do with external nursing, they were able to, I think it was an external part of their nursing program that allowed them to, do new patterns, more cost-effective, getting new people into nursing.

The State College's Office of External Programs was able to develop a statewide network of assessment that is now spreading into the work place, so that higher education, public, private, secondary, and postsecondary are moving into the work place, to assist in the assessment of job skills, experiential learning——

Ms. ROUKEMA. Independent of vocational training?

Mr. SMITH. Yes. Vocational centers are part of this consortium they have set up. And you would find, the thing that is remarkable about the Fund, is that I think generally people would argue that they have leveraged more change, for less money, and a higher effectiveness rate in turns of institutions and States taking the responsibility that was generated by the Fund.

At 88 percent, a documented number, than any program, virtually, that has ever been in effect.

Ms. ROUKEMA. Thank you.

Senator STAFFORD. Thank you very much, Governor.

Mr. SMITH. Thank you, Senator.

Senator STAFFORD. We appreciate your presence here.

The next witnesses will be Dr. John Middleton of the International Education Programs, School for International Training, and a student there, Scott Curry.

Scott Curry and Dr. Middleton.

We want everybody to know that Dr. LaCasce is serving, I guess, as the official timer. Am I right?

Dr. LACASCE. No.

Senator STAFFORD. Janice Ryan? She is known for the iron discipline with which she runs things. [Laughter.]

Sister RYAN. I will leave it up to you, Senator, to implement. [Laughter.]

Senator STAFFORD. There is a signal there. What signals are you giving the witnesses?

Sister RYAN. At the end of 5 minutes rapping on table.

Senator STAFFORD. I see. Can you give them some kind of a signal at 4, so they will know they have a minute?

Sister RYAN. I will do it at 4.

Senator STAFFORD. All right.

All right, Dr. Middleton, we welcome you here, and we are grateful for all your help.

STATEMENTS OF DR. JOHN MIDDLETON, VICE PRESIDENT FOR ACADEMIC AFFAIRS, EXPERIMENT IN INTERNATIONAL LIVING, AND DIRECTOR, SCHOOL FOR INTERNATIONAL TRAINING, AND SCOTT CURRY, STUDENT, SCHOOL FOR INTERNATIONAL TRAINING

Dr. MIDDLETON. Thank you, Senator Stafford.

Senator Stafford, Representative Jeffords and Representative Roukema, it is an honor to testify before you today on title VI of the Higher Education Act, which, as you know, encompasses Federal support for international education, at the higher education level.

I was privileged to serve as Chairman of the VHEC Committee that studied this act, and we have made rather detailed recommendations, I think, in the report.

Today, I would like to highlight a few of those for you in our discussion, recognizing that there is more to be seen in the full report.

I have brought with me Mr. Scott Curry, a student at the School for International Training, to be available to talk with you about what it is like to be a student in international studies.

The current Higher Education Act, through title VI, has made an important contribution toward meeting the needs for men and women who are skilled in languages and competent at working effectively with and within the nations with which we are inextricably linked.

I will not spend a lot of time on the needs for Federal assistance to international education. Mr. LaCasce has identified the need for international competence as one of the four major areas, and we concur in that.

Title VI has been, on the whole, quite a useful piece of legislation in supporting higher education, and it has been helpful in Vermont. My own institution, the School for International Training and Marlboro College, another institution in the south of the State, have been supported by title VI of the Higher Education Act, to develop and offer a new undergraduate program in international studies, beginning this year.

This is a form of venture capital, as Governor Peter Smith said, which is helpful to supporting higher education and providing the kinds of opportunities to students which enable them to use the financial aid that they do get, to pursue the kinds of careers that they and the Nation consider to be important.

This program, incidentally, is going to bring, we expect, approximately 100 new students to Southern Vermont, which expands considerably the economic contributions that our small, private colleges make to the community.

There is also another interesting and useful aspect of that project, we think, which shows that small, private colleges can collaborate together to increase efficiency, and have greater impact through the faculties, classrooms and dormitories that they have.

We believe that the International Education Title of the Act, should continue to support consortium activities of small institutions, where increased efficiency and increased impact is promising. This should be in addition to providing the support for national centers, which leads to doctoral training research, and a new generation of faculty.

A third area of some importance is the expansion and improvement of foreign language teaching in American secondary schools and colleges and universities.

Now, we understand that other legislation within the Federal Government supports the improvement of foreign language teaching in secondary schools. But there are provisions in the current title VI which can support language teaching and training programs in the colleges, and we feel that those should be well coordinated with other new legislation.

Vermont, in particular, has special strength in the teaching of foreign languages, at Middlebury and Norwich University, and at the School for International Training which has special competence in training language teachers. This is an area in which we feel Vermont can important contributions nationally.

In summation, we see three areas of particular importance in this small aspect of the Higher Education Act.

One is that we believe that title VI is a good piece of legislation, and should be continued. We would like to see strong support for the smaller institutions, to work together to make contributions in this important area.

Second, we believe that title VI should encourage colleges, universities, and secondary schools to work together in internationalizing the curricula and programs at all levels, so that those students who have an inclination in that direction are well served.

And third, we think foreign languages and Foreign Language Teaching Training Program should also be supported.

Mr. Curry and I will be happy to answer any questions.

Thank you.

[The prepared statement of Dr. Middleton follows:]

Hearings on the Reauthorization
of the Higher Education
Act

Burlington, Vermont
February 14, 1985

TESTIMONY ON TITLE VI: INTERNATIONAL EDUCATION

Witness: Dr. John Middleton, Vice-President for Academic Affairs, Experiment in International Living and Director, School for International Training

Mr. Scott Curry Undergraduate Student, School for International Training

Senator Stafford, Congressman Jeffords, Colleagues and Guests:

It is an honor to testify before you today on Title VI of the Higher Education Act. As you know, this title encompasses a significant part of federal support for international education in the universities and colleges of the country.

As chairman of the sub-committee of the Vermont Higher Education Council Study that addressed this title, and the titles on teacher graduate education as well, I have had the opportunity to study the current provisions of the Act and to make detailed recommendations. These recommendations are in our written report to Senator Stafford.

Today I wish to review briefly some of the highlights of our written recommendations, with particular attention to the impact of the current Title VI on Vermont -- and on changes which may strengthen that impact.

I have been active in international education for nearly twenty years, as a Peace Corps Volunteer, as a scholar in international communication, as an advisor to foreign governments, and now as the Director

of the School for International Training -- a Vermont institution of higher education that prepares men and women for international careers at the undergraduate and graduate level. These varied experiences have convinced me of the importance to our nation of increasing the numbers of persons skilled in foreign languages, knowledgable of the countries and cultures with which our nation is closely linked, and competent in the application of their professional skills in international settings. This is a well-documented need.

The current Higher Education Act, through Title VI, has made important contributions towards meeting that need. It has been, on the whole, an effective and successful piece of legislation -- although our recommendations include some desirable changes.

How has Title VI affected Vermont? The School for International Training and Marlboro College received a grant from the Department of Education under Title VI in 1984 to support the development of a new undergraduate program in international studies. This joint program, known as the World Studies Program, is providing an exciting combination of studies in the humanities with foreign language and pre-professional skills training. The $90,000 grant is helping the two institutions combine their resources to offer this educational opportunity to students from Vermont and around the nation. It will eventually enroll approximately 100 men and women whose education will enable them to take important roles in the international arena. These students, incidentally, will be a net addition to the enrollments of the two institutions, increasing our economic impact in Southern Vermont. The program itself has already begun to attract national notice due to its innovative nature.

This is, we believe, an excellent example of how the current act serves to strengthen education in Vermont while contributing to an

important national need.

It also illustrates an aspect of the Act which should be strengthened. That is the capacity to support innovative programs in smaller institutions -- or consortia of such institutions. While the bulk of support should go to large national centers that are the principal training grounds for new generations of faculty and doctoral level experts, small institutions -- by virtue of their flexibility can and do play important roles.

Our work in Southern Vermont to link higher international education with secondary school international education further illustrates this potential, potential which can be greatly strengthened with appropriate modifications in Title VI. In cooperation with the State of Vermont, we have been offering each summer a special program for Vermont teachers and secondary school students. This is the Vermont Institute on International Affairs, which serves to acquaint students and teachers alike with the intellectual and professional opportunities that international study brings. In addition, SIT annually provides in-service education for teachers from across the nation in internationalizing the secondary school curriculum. These activities are anticipated in certain sections of the current Title VI, but have not been funded or aggressively supported. I believe that the new version of the act ought to actively support efforts of this kind towards the development of university/school cooperation on a regional basis.

Expanded and improved foreign language teaching in U.S. schools and colleges is a high priority. This need is being addressed in other legislation, including the math, science and foreign language bill, now PL 98-377. However, the international education title of the Higher Education Act should be well coordinated with these other

programs, as should the titles for teacher and graduate education. Vermont stands to benefit substantially from federal support for language education and teacher training programs at Middlebury, Norwich, SIT and other institutions have international reputations and, with appropriate federal support, could serve more students.

More and better foreign language teachers will be important if our nation's goals for expanded foreign language learning are to be met. Several Vermont institutions, including Saint Michael's and SIT are active in foreign language teacher training. Increased federal support in this area from the new legislation will be helpful in expanding our impact.

In sum, we would highlight three recommendations of our written report:

1. Continuation and expansion of support for undergraduate programs in smaller institutions, or consortia of such institutions.

2. Support for cooperative programs between higher and secondary education.

3. Support for foreign language education and teacher training.

The programs will benefit Vermont and the nation.

In closing, I would like to note the increasing interest among leadership in Vermont higher education in collaboration in the area of international education. A number of us met this morning on this subject. Combining the resources of several institutions, as SIT and Marlboro have done, provides an important level of efficiency and potential impact in specialized areas such as international education, and we hope that the federal government will be supportive of large scale collaboration of this type.

Thank you very much.

Mr. Scott Curry, a junior studying in SIT's World Issues Program, is with me today and looks forward to your questions as to why he sees an undergraduate international education as important to his goals.

Senator STAFFORD. Mr. Curry, do you have anything you wish to add at this point?

Mr. CURRY. I would just like to add that I think the smaller institutions, and especially international institutions, have a lot to offer for students, because for myself, I am interested in international studies, languages, international relations, and business development. And I think that since the countries in the world are becoming more interdependent every year I think that it is very important to be able to continue with international relations.

Senator STAFFORD. Thank you.

Dr. Middleton, do you cooperate with any businesses who are acting in international trade, to improve their ability to do it?

Dr. MIDDLETON. We provide specialized services to businesses on a tuition basis—language training and cross-cultural orientation in preparation for trading missions abroad.

We will be doing an orientation of executives for a New Hampshire corporation who are going to South Korea next year, as an example. It is a cooperation on an economically beneficial basis.

Senator STAFFORD. If title VI is terminated, as proposed, what would the impact be on your institution?

Dr. MIDDLETON. The New World Studies Program, our new undergraduate collaborative program with Marlboro, would be seriously hurt. We would have had at that point, I believe, 2 years of support, and may have become a self-sustaining program. I am not sure of the effect of termination, but it would make us nervous.

Senator STAFFORD. Thank you.

Congressman Jeffords?

Mr. JEFFORDS. I have no questions, sir.

Thank you very much, it is always a pleasure to be with you, and to visit your institution. Thank you for the tremendous work you are doing.

Dr. MIDDLETON. Thank you.

Senator STAFFORD. Congresswoman Roukema?

Ms. ROUKEMA. I have no problem with your stated goal, in terms of your program being a base for expanding international understanding, both the business component, as well as the foreign policy component.

I do have some serious reservations, however, concerning the emphasis on foreign language teaching, not that I am not a proponent of strong foreign language teaching, but we in this country have a long history of a lack of success, in terms of teaching of foreign language, and part of that is the result of being as isolated as we are. You cannot go from here to Vermont and New Jersey and speak a different language, as one does in Europe, you know, so one is compelled to learn the languages.

I only express a degree of skepticism because I know that there are more foreign language teachers trained in this country than we currently have students for, and that is another problem, but it does impact on how we look at funding at the Federal level for increases in foreign language teaching. It is just one of those demographic and reality testing facts that we have got to face when we look at the budget.

Dr. MIDDLETON. I would like to offer——

Ms. ROUKEMA. Yes; I would like to hear your comment.

Dr. MIDDLETON. It is a clearly complex issue. I think it is true that the demand for the study of foreign languages at the secondary school has been weak in the last decade.

Ms. ROUKEMA. Yes.

Dr. MIDDLETON. And there are other points in history in the United States when it has been lower yet. I would offer two comments on this situation.

One is that I think there may be increased interest now. This may not be large shift in absolute numbers because the base of interest may be small. As a proportional increase, however, it seems significant.

Second, I think one of the problems of our isolation has been that secondary school teachers have a difficult time teaching language skills in context.

Ms. ROUKEMA. Yes.

Dr. MIDDLETON. Because the Spanish and French courses may be the only internationally oriented part of the school curriculum. That is why I believe that collaboration between colleges, universities, and secondary schools in a broader way to strengthen international education is helpful in supporting foreign language teaching.

Ms. ROUKEMA. Thank you for your comments.

Senator STAFFORD. Thank you, Congresswoman.

Thank you, Dr. Middleton and Mr. Curry. We appreciate your help.

The next witnesses will be, with respect to title V, Teacher Corps and Teacher Training Programs; Dr. Alan Stockton, dean, Graduate School, Saint Michael's College; accompanied by Carolyn Bessette, who is a student at Trinity College; and James Suskin, who is counsel for the Vermont Education Association.

Welcome to all of you.

Dr. Stockton, we will leave to you how the time is allocated to the order of speaking.

STATEMENTS OF DR. D. ALAN STOCKTON, DEAN, GRADUATE STUDIES AND CONTINUING EDUCATION; CHAIRPERSON, GRADUATE EDUCATION PROGRAM, SAINT MICHAEL'S COLLEGE, WINOOSKI, VT; CAROLYN BESSETTE, STUDENT, TRINITY COLLEGE, BURLINGTON, VT; JAMES S. SUSKIN, GENERAL COUNSEL, VERMONT-NATIONAL EDUCATION ASSOCIATION, MONTPELIER, VT

Dr. STOCKTON. Senator, I can be very brief.

We are here to talk about title V, and in the last year or two, title V has not been funded, so there is really very little to discuss. Somebody got it——

[Laughter.]

Senator STAFFORD. Is the administration proposing to cut it even lower? [Laughter.]

Dr. STOCKTON [continuing]. The thrust of the original title had a focus on the quality of teacher training, precertification training, and ongoing training after certification. If we could sidestep the Teacher Corps issue for a moment, a few observations.

Within the past 2 years we have been overwhelmed by a series of studies on American secondary education, and at times elementary.

It began with Nation at Risk, but then there was John Goodlad's study, and Boyer's study and the Sizer study. In each case there is a reasonably in-depth study of the situation, concluding that things are not what they should be, not what they can be, not what they must be.

In each case, and among all the great solutions that are proposed there is always a strong focus on the teacher. If things are in bad shape, perhaps the teacher is part of the cause, we are going to correct them, much of the correction must begin with taking care of the teacher.

Consequently, whether it be through title V, and resurrecting it, and putting moneys aside, or whether it be implemented in other ways, if the quality of education is supposedly a serious national concern, Nation at Risk says that if a foreign power did this to the country we would accuse them of a hostile act.

If it is a national priority, then in some legislation there has to be provisions that will insure that the current teachers have an opportunity to retool, or rethink, or whatever we might want to call it, that teachers that are currently in the process of training, through the various programs at our various colleges and universities, are insured they are getting the best available in this country.

And another dimension that was in title V, and seems to be forgotten, that is the important matter about if we are going to help the teachers, we have got to help the teachers of teachers. There must be some provision in the various funding proposals that will be made so that the people who are currently occupying positions in our education faculties have an opportunity to get up to date, and it is a circle that has to be broken, if the results of those studies were accurate.

One other dimension, and I am sure this will surface more tomorrow when the discussion focuses on student financial aid, as we note in our report, if two students conclude their undergraduate years with $18,000 $20,000 in debt, whatever, the student who is the graduate engineer, the computer technologist, and all those, they will begin their careers at $20,000 plus. That debt, while it sounds terrible, it is not as terrible as it is to the teachers, especially a Vermont teacher, who begins teaching at $12,000 a year.

Now, we do not want to get into an argument over Vermont salaries, that is a separate issue, and the Vermont-NEA does a good job, but it is part of the package. So very briefly, and then I will stop.

Maybe resurrecting title V is not the answer. I think that becomes the methodology. The critical issue is we supposedly have a national crisis. Presumably that will be corrected when we do something about the quality of preparation for future teachers, the quality of retraining of current teachers, and the retraining of teacher teachers.

Senator STAFFORD. Thank you very much.

[The prepared statement of Dr. Stockton follows:]

Higher Education Act of 1965
Title V
Teacher Corps and Teacher Training Programs

A Presentation to

Senator Robert Stafford
hairman - Senate Subcommittee on Education, Arts and Humanities

Representative James Jeffords
Ranking Minority Member - House Education and Labor Committee

From

Vermont Higher Education Council
Subcommittee - Higher Education Entitlement Acts

By

Dr. D. Alan Stockton
Dean, Graduate Studies and Continuing Education
Chairperson, Graduate Education Program
St. Michael's College - Winooski, Vermont

February 14, 1985
Burlington, Vermont

TITLE V

Title V of the Higher Education Act of 1965 was designed to create, or encourage, and finance,

A. The Teacher Corps Program

B. Teacher Training Program

C. Training for Elementary and Secondary School Teachers to Teach Handicapped Children in Areas with a Shortage

D. The Coordination of Education Professional Development

Time does not permit an historical review and analysis of this legislation since its passage until the present, with particular reference to its impact on Vermont. During the past several years, sections of the act have been repealed. The remaining sections have not been funded. Historians of the next generation will probably conclude that the act was no longer funded because by this date the emergencies it addressed no longer existed.

Yet much of the current education literature would suggest the opposite.

Readings of: Nation at Risk

A Place Called School - John Goodlad

High Schools - John Boyer

Horace's Compromise - Ted Sizer

to name but a few recent studies, suggest that elementary and secondary education leaves much to be desired. All suggest that major reforms are urgently needed. All identify the teacher in the classroom as both the cause of this situation and the major component of the required reforms.

Continuing then in the major objectives of the original Title V of the Higher Education Act we might easily identify several target areas if we are to initiate true

educational reform, a change required if current and future Elementary and High School students will receive an education that prepares them to cope with the complexities, choices, ethical dilemmas, and realistic patriotism required for our national survival in the Hi-Tech society of the late 20th and early 21st centuries.

Let us focus on three areas identified in the original Title V and view them in contemporary terms as part of the reform we require:

I. Education Faculties in Colleges and Universities

II. Teacher Preparation Programs

III. In-service and Re-training Programs

I. A major target area for the required reform must be the members of the Education faculties in our colleges and universities. Teachers who will be certified this year, next year, etc. are exposed to ideas in teaching, learning, curricula design and content, etc. by these faculty members. In many instances they are also active participants in various inservice and recertification programs.

If we wish reform, a break in the cycle, it must begin here. We need funds that will enable these faculty members more time and more facilities to participate in educational research. While most colleges and universities do have sabbatical and release time provisions, these are often allocated on a quota basis or other equalization formula which does not address this urgency. History, Classics and Education professors do not have the same social urgency for renewal.

II. Teacher Preparation Programs

When the average high school graduate enters college and begins to make career choices, economic realities can have great impact on this process. Engineers, Accountants, Computer Programmers, will usually conclude their undergraduate

college career and begin their working careers at salaries of $20,000 plus. Their classmates, who choose teaching as a career especially in Vermont, will begin their working career at $12,000, plus. Let us not confuse this issue by including average life time earnings.

In order to finance their college education, each of the above had to borrow money, from a variety of sources. For purposes of this example, let us presume each begins their career with a debt of $16,000. Who will find this debt most difficult to erase? Obviously, the teacher will.

IF - American education is in a "state of crisis" what are we willing to pay to reform it? What incentive and special considerations are we willing to make so that many competent people will not choose other careers rather than accumulate debts that their salaries will find prohibitive.

At present, these are several models used by the military that might be considered. u.g. If these debts could be totally returned after 4-5 years of teaching, we would be removing a major obstacle.

We will not address the issue of teachers' salaries in Vermont at this time.

III. In most states, some forms of continuing education is required for an individual teacher to maintain their license to teach. Currently in Vermont, teachers are required to complete, successfully, 9 credit hours every seven years. This is obviously an absolute minimum, when one considers explosion in knowledge affecting content, teaching techniques, learning styles, and valid evaluation methodologies.

Traditionally, elementary and secondary teachers have been able to arrange sabbatical leaves, college/university based relevant courses, conferences organized by teacher associations and others and district sponsored professional development programs.

All of the above cost money. Yet, in the past few years, many local collective agreements have curtailed or eliminated funds for sabbaticals and inservice courses, etc. Consequently, the cost for much of this improvement must be borne by the already grossly under paid teacher.

The underlying question that must be answered is, what are our national priorities. The public and private elementary and secondary schools of this nation have naturalized countless waves of immigrants and allowed graduates in great part to move on to college or a variety of occupations.

Many successful college graduates, leaders in their respective careers and professions, received their professional training through a variety of loans, grants and subsidies.

Most of the actions in these areas in the past few years, and highlighted in the current Federal Budget proposal seem determined to wipe out all this, making college education a privilege of the rich.

And compounding all this, zero funding an entitlement Act - Title V which had directed funds for the improvement of teacher training and teaching at a time when we experience an educational crisis.

Somehow the national priorities we preach and the national priorities we finance are not equated.

The VHEC report of October, 1984 regarding the Reauthorization of the Higher Education Act highlights the focus of reform. At this time I would like to highlight the four areas of concern that a refunded Title V might address. The text of the report elaborates in greater detail.

- Incentive to encourage students to make teaching a career choice
- Financing of required program development
- Partnership Development
- Research and evaluation of teaching

In our haste to find the answers, perhaps we have ignored the first question, i.e. "What are our national priorities?" and secondly "Is Education really one of them?"

APPENDIX A

7

TEACHER EDUCATION

VHEC DISCUSSION DRAFT
October 30, 1984

PREAMBLE

Recent studies and reports have emphasized the centrally important role of teachers in the provision of quality elementary and secondary education. There are some indications of deterioration in the teaching force, particularly as talented individuals with scarce skills (as in science and mathematics) choose not to enter teaching, or leave the schools to accept higher paying opportunities outside education.

The nation's quantitative needs for teachers vary over time. We are faced periodically with shortages in certain specialties. Demographic change leads to different demand patterns: for example, the 1990's will witness an upturn in the demand for elementary teachers after more than a decade of declining enrollments. Demand for teachers also varies regionally, principally for demographic reasons -- including immigration.

Qualitative needs are equally important. Rapid change in the knowledge base of society mandates continual improvement of the substantive knowledge of teachers. Equally important is improvement of teaching skills as educational research and evaluation point toward more effective teaching and learning strategies, and as new technologies spread through education.

Both quantitative and qualitative needs for teachers are met by the education system of the nation through three main mechanisms. One, which has traditionally and constitutionally been the province of local and state education agencies, is comprised of the salary, benefits and conditions of employment structures which provide incentives for teaching careers. A second is the system of pre-service teacher education. A third includes the various forms of teacher in-service and professional development.

We believe the federal government can play a useful though limited role in improving the salary incentives for teaching careers. We also believe that the federal government, through the Higher Education Act, can have significant impact on the quality and relevance of pre- and in-service teacher education.

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In sum, the Teacher Education provisions of the Higher Education Act should contribute to the following objectives:

a. Provide incentives to draw qualified persons into the teaching professions to meet needs in priority areas;

b. Assist colleges and universities in the development of teacher education programs which respond to national needs;

c. Strengthen the relationships between colleges of education and local education agencies for collaborative school improvement programs;

d. Support research and evaluation on curriculum development, teaching and learning, and the use of technologies.

RECOMMENDATIONS FOR THE HIGHER EDUCATION ACT

Issue One: Incentives Toward Teaching Careers

Basic financial aid programs should be adjusted for undergraduate and graduate teachers in training to create strong incentives towards teaching careers.

Student loan programs for teacher education should have the following characteristics:

a. Be available to both graduate and undergraduate students in teacher preparation programs.

b. Provide support to both full and part-time students; the latter provision is important to attracting mid-career persons into teaching professions.

c. Concentrate support in areas of national need (currently science and math), but provide a reasonable level of support for teachers in all disciplines and at both elementary and secondary levels.

d. Provide for a system of extended repayment and loan forgiveness. We recommend a twenty-year repayment schedule, with loan forgiveness of ten percent for each year of teaching within the twenty-year schedule.

Congress, with the advice of the Department of Education, should periodically review and adjust priorities in this loan program as national needs change.

Consideration should also be given to a national program of merit scholarships for graduate study in the teaching professions for outstanding undergraduates and mid-career adults, again in priority need areas.

Issue Two: Program Development

A program of subsidized institutional loans for program strengthening and development in priority need areas is needed to meet the demand for teacher education with high quality programs. The loan program should be competitive, and provide for forgiveness of a portion of the debt (perhaps 24%) upon achievement of program goals (for example, numbers of graduates annually).

The program should be broad in scope, permitting institutions to invest in a variety of mechanisms -- faculty development, acquisition of technology, library development, facilities -- in order to create effective programs.

This program should support bith pre-service and in-service education.

Issue Three: Partnership Development

A competititve grant program should be established to support the development of linkages between colleges of education and local education agencies for school improvement. These programs should include significant components of in-service teacher education that are integrated with curriculum up-grading, research and evaluation.

Again, the program should be broad in scope, encouraging innovative approaches to school imporovement.

Issue Four: Research and Evaluation on Teaching

The federal government should support a comptetitive program of grants to faculty in colleges and universities to advance knowledge in priority areas of teaching improvement. The program should encourage applied research and evaluation, with the intention of strengthening teacher effectiveness in the classroom.

This program of support for Teacher Education would fall into Title III of our proposed structure for the Higher Education Act.

Senator STAFFORD. Carolyn Bessette?

Ms. BESSETTE. Thank you.

Now I am a senior at Trinity College, and I am honored to be present at this hearing today.

At 35 I found myself a single parent with five young children. I needed to take an inventory of my skills if I was to provide a financially independent life for my children and myself. At the time, I was working as an aide in a home-based program for handicapped infants and toddlers. I loved my job, and experienced great personal satisfaction from it, but I was only making minimum wage. I decided, if there was a way, I would go to college and earn my degree in education. This would enable me to work in a field that I find rewarding, and I would also be financially independent.

I started school as a part-time student. This enabled me to continue working, as well as raise my children. I have worked hard and overcome many obstacles. In May, my dream will become a reality. I will graduate with my degree in education. None of this would have been possible without the financial aid I received from the Government.

My situation is not unique. I represent a vast number of people who are single parenting, and who are determined to go through education, rather than remain or become a statistic on the welfare rolls of this country.

As a new country, in 1636, in order to ensure a supply of learned men, the colonists established Harvard University. The history of the United States proves, beyond a doubt, that the need and the right of education is the cornerstone of our society.

One of the Founding Fathers, Thomas Jefferson, who would like to have been known as the Father of the University of Virginia, believed that to foster and secure a democratic society, an educated population was a must. To deprive anyone of the right to an education is to undermine the very principles upon which this country was founded. Jefferson believed that the "schoolhouse was the fountainhead of happiness, prosperity and good government"—a schoolhouse which everyone has the right, not the privilege, to attend.

With the ever-rising cost of higher education, 60 percent in the last 5 years for tuition, and with the increasing numbers of single parent families, such as myself, I feel it urgent that the Federal Government increase aid to educational institutions in order to secure the time honored Jefferson principles. This Government aid could be in the form of, first, increasing financial aid proportionate to the increasing costs of education, and second, expanding loan forgiveness programs.

I believe in the American dream. I believe that in this country, I, too, have the opportunity to be an American hero like Jeanne Win, who was honored last week by the President. I believe that the opportunity and right to an education is not a myth, and is not and should not be limited to those who can afford it. It should be offered to those who desire it.

As an active citizen, Senator Stafford and Representative Jeffords, I want you to bring my message to Washington. I do not want bombs substituted for books.

Thank you.

Senator STAFFORD. Thank you very much, Ms. Bessette. [Applause.]

Mr. Suskin, do you have a statement?

Mr. SUSKIN. Yes, I do, thank you so much.

It is a great pleasure for me to appear before this distinguished subcommittee, and to share with you the views of Vermont-NEA and the National Education Association in regard to the reauthorization of the Higher Education Act.

The Federal role in—and commitment to—postsecondary education has long been of deep and continuing concern to our association. This is not merely an outgrowth of the NEA being the Nation's largest organization representing postsecondary faculty and staff. Rather, it stems from our unalterable view that higher education—like its elementary and secondary counterparts—is a basic and fundamental cornerstone of our society. It helps to provide the very underpinnings for our economic life, our national security, and our quest for equity, equality, and opportunity. This is our view as higher education faculty members, as educators, as parents, as concerned and active citizens.

The quality of postsecondary education has been important in the past, but it has never been more critical to our survival than it is today. Indeed, America's destiny is tied directly and inextricably to how well we educate our country's children. It will be our colleges and universities—building on our system of universal free public elementary and secondary education—which will train the scientists and researchers who will help our Nation advance; educate the scholars, artists and philosophers who will enrich our national life; and provide us with the skilled workers who will fuel our economy. Consider the fundamentals.

No. 1, higher education is vital for America's economic growth and vitality.

No. 2, higher education is crucial to a strong democracy.

And No. 3, higher education is essential for social justice.

We are all indebted to this subcommittee and to the Congress for its leadership in restraining and resisting some of the most Draconian of the administration's past proposals. At the same time, we must recognize that very severe damage has been done.

We recognize that the complexity of the issues involved and the importance of this legislation require that the process for reauthorization be a careful and deliberate one. We stand ready to work with this subcommittee to assure that the act that finally emerges meets the test of the finest possible public policy.

Let me just address the Teacher Preparation, Title V Section. This title of the act forms the basic link between the interdependent activities of elementary and secondary schools and institutions of higher education. We believe, and our experience confirms, that teacher education programs must be strengthened, and that a key element of that is better connections between faculty in colleges and departments of education and practicing K-12 teachers.

We have recommended a full program for excellence in teacher education which I will be happy to provide the chairman for the benefit of the committee members. It includes a professional standards board of teachers and other education professionals which would monitor and assess programs of teacher education in each

State, coupled with accreditation from the National Council for Accreditation of Teacher Education.

In addition, field experiences must be sequenced throughout the preparation program so that teacher trainees may be adequately prepared, and so that potentially ineffective teachers may be steered into other occupations.

Furthermore, programs must provide each prospective teacher candidate with a continuous, comprehensive assessment of progress. Incentive grants to encourage exemplary teacher education programs which embody these ideas should be made to institutions of higher education and State agencies for accreditation.

Mr. Chairman, we must build into the system more adaptable means to renew and refresh our current teaching force. Professional development programs must be flexible, including such things as problem solving by groups of teachers; the sharing of curriculum models and ideas for classroom improvement; a regular means to update skills and knowledge base; and multiple opportunities for exposure to intelectually stimulating ideas.

To respond to these concerns, the NEA proposes a program of professional development resource centers for practicing teachers, which would provide year-round opportunities for personal professional development and collegial assistance in problem solving.

Teachers would be challenged to design programs to meet the particular educational needs of their students, and to share models for excellence. Professional development resource centers could foster independence, creativity and a team approach to problem solving. The centers could use a variety of resources, including faculty specialists, business representatives and community leaders to assist teachers in group and individual activities.

As part of a comprehensive program of school/college cooperation, NEA believes the American Defense Education Act must be enacted. Title II of the ADEA is devoted to encouraging coordination between institutions of higher education and local education agencies. It is directed to meeting the need for improvements in mathematics and science education, including equipping new and practicing teachers with the training needed to meet current demands in this area.

Senator STAFFORD. Mr. Suskin, can you conclude at this point?

Mr. SUSKIN. Yes, I can.

In the last 4 years, Mr. Chairman, the programs encompassed in this act have been under siege, and so too, has been our commitment to the future of our educational enterprise. The reauthorization of the Higher Education Act provides a necessary opportunity to reverse this trend, to rededicate ourselves and our Nation to a postsecondary education system second to none.

We look forward to working with the committee in the future in developing a cooperative effort to fashion an appropriate and effective Higher Education Act.

Thank you.

[The prepared statement of Mr. Suskin follows:]

Vermont-NEA

P.O. Box 567
Montpelier, Vermont 05602
(802) 223-6375

STATEMENT REGARDING

HIGHER EDUCATION

BEFORE THE

SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES

OF THE

UNITED STATES SENATE

PRESENTED BY

JAMES S. SIBLEY

GENERAL COUNSEL

VERMONT NEA

FEBRUARY 14, 1985

An affiliate of the National Education Association

Mr. Chairman:

It is a great pleasure for me to appear before this distinguished Subcommittee and to share with you the views of Vermont-NEA and the National Education Association in regard to the reauthorization of the Higher Education Act.

The federal role in -- and commitment to -- postsecondary education has long been of deep and continuing concern to our Association. This is not merely an outgrowth of the NEA being the nation's largest organization representing postsecondary faculty and staff. Rather, it stems from our unalterable view that higher education -- like its elementary and secondary counterparts -- is a basic and fundamental cornerstone of our society. It helps to provide the very underpinnings for our economic life, our national security, and our quest for equity, equality, and opportunity. This is our view as higher education faculty members, as educators, as parents, as concerned and active citizens.

HIGHER EDUCATION IN OUR NATIONAL LIFE

The quality of postsecondary education has been important in the past but it has never been more critical to our survival than it is today. Indeed, America's destiny is tied directly and inextricably to how well we educate our country's children. It will be our colleges and universities -- building on our system of universal free public elementary and secondary education -- which will train the scientists and researchers who will help our nation advance; educate the scholars, artists, and philosophers who will enrich our national life; and provide us with the skilled workers who will fuel our economy. Consider the fundamentals.

1) Higher education is vital for America's economic growth and vitality. Our work force is going through an enormous transition -- a revolution really -- that is shifting traditional patterns of employment, accelerating the pace of already dizzying technological change, and placing tremendous new demands on the skills and abilities of our people. By investing in higher education, we invest in our future.

2) Higher education is crucial to a strong democracy. A vibrant and responsive democracy depends upon an educated and informed population. It was this underlying fact that helped spur the great American experiment to provide a free public education of high quality to each and every one of our citizens. Today, as our society becomes larger and more complex, the demands on our people to understand the issues before them in our democracy are becoming increasingly more difficult and urgent. Clearly, to participate appropriately in the decisions which affect our own lives requires an increasingly better educated and sophisticated population. Higher education -- which has been so essential in transmitting the history and value of ideas -- provides the means by which we can meet this challenge.

3) Higher education is essential for social justice. Education is, quite simply, the ladder of opportunity for the vast majority of our

people. For most, it is more than just the key to a fair chance, to individual advancement, to better jobs, to greater success, even to self-respect, it is the key to the very future itself. Higher education can provide the difference between a lifeline of opportunity and a lifetime of struggle. Our colleges and universities can -- and must -- play a pivotal role in providing the equity and access requisite to a just society.

Mr. Chairman, these thoughts are not new. Their roots go back to the earliest days of our nation. And out of them has grown a firm federal commitment to the support, expansion, and improvement of postsecondary education. From the Northwest Ordinance of 1787 through the Morrill Land Grant Act of 1862, from the GI Bill in 1944 through the National Defense Education Act in 1958, from the Higher Education Act of 1965 through the Middle Income Student Assistance Act in 1978, America has rededicated itself to this commitment. We commend you and the Members of this Subcommittee for your leadership in beginning once again to build on this base, to look toward the future, and to seek new and substantial ways to extend and enhance the federal partnership in higher education.

We are all indebted to this Subcommittee and to the Congress for its leadership in resisting some of the most draconian of the Administration's past proposals. At the same time, we must recognize that very severe damage has been done.

The number of participants in the Pell Grant program -- the basic federal program to promote access to postsecondary education for those in need -- has fallen dramatically. And the purchasing power of those Pell grants which remain has eroded as well. As many as a half million formerly eligible students are now ineligible for Social Security education benefits. Program after program of institutional support has had its budget reduced by outright cuts or the effects of inflation.

It is, thankfully, possible for us to repair the damage done to our educational system by these policies. We can pass new laws, add additional resources, develop more appropriate and beneficial rules and regulations. The real and unrelenting tragedy, however, is not the one facing our schools and colleges. It is the human waste these actions may have caused. For many of the tens of thousands of young people who have been directly affected by these policies, there will be no second chance, no way to rebuild the wreckage. For these individuals -- invisible to most of us, without a voice and without much hope -- the Reagan Administration's education policies will mean lives of lessened opportunities or heightened dispair.

REAUTHORIZATION OF THE HIGHER EDUCATION ACT

We believe that it is well beyond the time to reverse the tide that has been eroding the federal role in postsecondary education. Now is the moment to begin to fortify once again the national commitment to higher education -- to assure equality of educational opportunity, to promote research and the pursuit of knowledge, to accelerate the development of

our country's intellectual and human capital, and to preserve the diversity of our educational institutions.

Over the years no statute has been more important in advancing these goals than the Higher Education Act. It stands as the very foundation of America's postsecondary programs and policies. And its reauthorization provides us with the opportunity not only to recommit ourselves to a full and appropriate federal partnership in higher education but to strengthen each of those programs encompassed within it.

We recognize that the complexity of the issues involved and the importance of this legislation require that the process for reauthorization be a careful and deliberate one. We stand ready to work with this Subcommittee to assure that the Act that finally emerges meets the test of the finest possible public policy.

It is with this in mind that we offer the following preliminary comments on the reauthorization of the Higher Education Act:

Title I: Continuing Education

Under the existing law, Title I (Continuing Postsecondary Education Program and Planning) is subdivided into two parts: Part A, the Commission on National Development in Postsecondary Education, and Part B, Education Outreach Programs. Neither of these Parts has ever been funded and, in fact, the authority for Part A has expired. We believe that Congress now has an appropriate opportunity to restructure this title in order to better meet the needs of so-called "nontraditional" students.

Over the past two decades, the proportion of such nontraditional students -- including the disadvantaged, the disabled, displaced workers and homemakers, older students, veterans, the incarcerated, refugees, those who can attend school only part-time -- has increased dramatically. Indeed, those students with characteristics that had been considered as "nontraditional" in the recent past are rapidly becoming the mainstream in American educational life. Yet, despite the fact that the number of these individuals is nearly equal to the number of their more "traditional" counterparts, programs to meet their often unique educational needs are scarce. Therefore, We believe that postsecondary institutions should be encouraged to develop and reward the establishment of programs to promote equal access and high achievement by nontraditional learners and to increase the opportunities for lifelong learning.

Title II: Library Resources

Libraries are a central element in the promotion of educational excellence and advancement, yet many -- due to severe financial constraints -- have been unable to keep up with the rapidity of technological, scientific, and curricular change and with the ever-increasing need for books, periodicals, and equipment. We believe that both undergraduate and graduate libraries and information networks must

receive sufficient support to ensure a high quality educational environment.

Title III: Institutional Aid

It has long been our view that priorities must be maintained for categorical programs directed at the specific need to strengthen developing institutions, including our nation's historically Black colleges. We believe that colleges and universities which serve primarily disadvantaged students and which struggle to provide quality education must be provided special assistance to strengthen their academic programs and management.

Title III of the Higher Education Act has done precisely that; it has played a substantial role in improving the academic quality, institutional management, and fiscal stability of eligible institutions in order to increase their self-sufficiency and strengthen their capacity to make a contribution to the nation's higher education resources. This Title deserves to be retained and expanded.

We believe the federal government can play an appropriate part in helping to strengthen historically and traditionally Black colleges and universities. It is important to recognize and to foster the significant role that such schools have played in assisting a large -- and often otherwise underserved -- segment of our population attain academic achievement and excellence and in furthering the intellectual and cultural capacity of our nation.

At the same time, we believe that it remains important to recognize and support the central role of our country's two-year community, junior, and technical colleges in serving vast numbers of nontraditional and disadvantaged students. Founded in an attempt to increase postsecondary opportunities for all of our citizens, many of these colleges are still struggling to find their place in the mainstream of American academic life. The community college setaside in Title III is a response to this reality. We urge that it be continued.

Title IV: Student Assistance

Mr. Chairman, for the past twenty-five years, our government has honored and built upon a basic commitment to assist young Americans to finance their postsecondary education. Both our state and national associations have firmly supported and encouraged the maintenance and growth of this commitment. We believe that the primary goal of federal student aid programs must be to guarantee access to postsecondary education for all of our citizens, while at the same time encouraging the pursuit of the type of educational opportunity that is best suited to each individual's need and desires. Access to American colleges and universities should not be restricted for any student because of financial necessity.

It is with this in mind that we make the following recommendations.

1. The authorization of appropriations of federal student assistance programs -- including grants, low-interest loans, and work-study

-- must be sufficient to allow all qualified students to pursue postsecondary education. In our view, moreover, the principal form of federal financial aid should be grants first, then low-interest loans and work-study to enable disadvantaged and middle income students to attend postsecondary institutions.

We believe it is particularly important for the Pell Grant program to be expanded, with award levels increased and the program becoming a true undergraduate entitlement program. In the new world ahead of us, our people should be entitled to an appropriate postsecondary experience just as they should to a quality elementary and secondary education.

2. The half-cost provision of the Pell Grant program should be eliminated. This provision serves only to discriminate against the most disadvantaged students attending low-cost schools. We further believe that the limits on the cost-of-attendance provisions should be eliminated, so that students who live off-campus will not have their non-tuition expense limited by an arbitrary figure.

3. It is essential that student aid reach nontraditional students, including those who can attend school only part time. Restrictions in current programs should be removed so that these individuals can become eligible for all student assistance programs.

4. We believe it is inappropriate to continue the present policy of treating tuition for private and parochial elementary and secondary education as a non-discretionary expense in the Pell Grant program.

5. The current delivery system of federal student financial aid programs must be simplified to allow students and their families to take full advantage of postsecondary education programs.

6. There should be greater stability in aid formulae; frequent changes through either legislative or executive action must be avoided so that students and their families, as well as institutions, can engage in reliable financial planning.

7. The income cap on Guaranteed Student Loans (GSLs) should be raised. The in-school interest subsidy for GSLs should be maintained, and student loan origination fees should be eliminated. The annual and cumulative loan maximums for both undergraduate and graduate students should be increased. Moreover, grant programs must be sufficiently authorized and funded to ensure that student loans are supplemental, and that students are not forced to incur a high debt burden in order to obtain an advanced education.

8. We believe that campus-based funding under the SEOG program and the NDSL program should be continued. Increased flexibility is welcomed. However, it must not undermine the basic purposes of equity, access, and choice which have been the foundations of these programs.

9. The TRIO programs which provide valuable outreach, counseling, tutoring, and remedial services should be strengthened and expanded.

TITLE V: TEACHER PREPARATION

This Title of the Act forms the basic link between the interdependent activities of elementary and secondary schools and institutions of higher education. We believe and our experience confirms, that teacher education programs must be strengthened, and that a key element of that is better connections between faculty in colleges and departments of education and practicing K-12 teachers.

We have recommended a full program for excellence in teacher education which I will be happy to provide the Chairman for the benefit of Committee members. It includes a professional standards board of teachers and other education professionals which would monitor and assess programs of teacher education in each state, coupled with accreditation from the National Council for Accreditation of Teacher Education (NCATE). In addition, field experiences must be sequenced throughout the preparation program so teacher trainees may be adequately prepared and so that potentially ineffective teachers may be steered into other occupations. Furthermore, programs must provide each prospective teacher candidate with a continuous, comprehensive assessment of progress. Incentive grants to encourage exemplary teacher education programs which embody these ideas should be made to institutions of higher education and state agencies for accreditation.

Mr. Chairman, we must build into the system more adaptable means to renew and refresh our current teaching force. Professional development programs must be flexible, including such things as problem-solving by groups of teachers; the sharing of curriculum models and ideas for classroom improvement; a regular

means to update skills and knowledge base; and multiple opportunities for exposure to intellectually stimulating education ideas.

To respond to these concerns, the NEA proposes a program of Professional Development Resource Centers (PDRC) for practicing teachers, which would provide year-round opportunities for personal professional development and collegial assistance in problem-solving. Teachers would be challenged to design programs to meet the particular educational needs of their students and to share models for excellence. Professional Development Resource Centers could foster independence, creativity, and a team approach to problem-solving. The centers could use a variety of resources including faculty specialists, business representatives, and community leaders to assist teachers in group and individual activities.

As part of a comprehensive program of school/college cooperation, NEA believes the American Defense Education Act must be enacted. Title II of ADEA is devoted to encouraging coordination between institutions of higher education and local educational agencies. It is directed to meeting the need for improvements in mathematics and science education including equiping new and practicing teachers with the training needed to meet current demands in this area. This program, though focused on specific content areas, can serve as a model to advance school/college partnerships in other areas as well.

Title VI: International Education

Never has the need for international understanding and education been more apparent nor more pressing than it is today. The vast technological changes which have swept the continents have caused the world to function as a global village. Yet the United States has been slow to realize fully the importance -- indeed the necessity -- of understanding and learning to function in and among other countries and cultures. International education, foreign language programs, and international exchange programs must be retained, expanded, and adequately funded.

Title VII: Academic Facilities

Title VII, Construction, Reconstruction, and Renovation of Academic Facilities, authorizes both grants and loans to assist colleges and universities to meet the physical challenges so many are facing: to become more energy efficient; to bring their buildings into conformity with the requirements of the Architectural Barriers Act of 1968, Section 504 of the Rehabilitation Act of 1973, or other federal, state, or local environmental, health, or safety requirements; to detect, remove, or contain asbestos hazards. Yet despite billions of dollars of unmet need, funding for this program has been minimal. Clearly, there is a pressing federal responsibility to assist in the renovation and repair of academic facilities. Moreover, we believe that to be truly meaningful, such assistance must be in the form of grants as well as low-interest loans.

Title VIII: Cooperative Education

Title VIII has provided the authorization for the Cooperative Education program. Under this valuable program, grants are awarded to postsecondary institutions in order to stimulate the development of cooperative education projects in conjunction with public and private employers. Such projects provide work experiences to students, either concurrent or alternating with periods of academic study, that are closely related to their career or academic objectives as well as provide earnings to help meet the costs of postsecondary education. We believe that cooperative education should be retained and its authorization level expanded significantly.

Title IX: Graduate Education

Currently authorized programs provide graduate and professional opportunities fellowships for minorities and women, public service fellowships, fellowships for minorities attending law school, and law school clinical experience grants. Graduate education, scholarship, and research comprise much of the basis on which our system of postsecondary education rests. Yet many talented students find it increasingly difficult to pursue graduate education. Thus we believe that the national commitment to graduate education should be expanded. NEA supports the continuation and improvement of Grants to Institutions of Higher Education, Fellowships for Graduate and Professional Students, the National Graduate Fellows program, Assistance for Training in the Legal Profession ("CLEO"), and the Law School Clinical Experience program. We further believe that a broad needs-based grant program for graduate students should be established.

Title X: FIPSE and MISIP

We urge the extension of the Fund for the Improvement of Postsecondary Education and the authorization of the Minority Institutions Science Improvement Program under the Higher Education Act. It is our view, however, that FIPSE must be strengthened and refocused to concentrate on current issues pertaining to excellence in education. While MISIP was transferred to the U.S. Department of Education from the National Science Foundation under the Department of Education Organization Act, its authority has remained with the National Science Foundation Act of 1950. We believe that incorporation of MISIP within the Higher Education Act is appropriate and will bring increased continuity and stability to the program.

Title XI: Urban Grants

The Administration has not requested funding for Urban University Grants, authorized by the 1980 Education Amendments in order to help apply the knowledge and expertise of urban institutions to the service of their communities and to make their resources more readily and effectively available to the urban centers in which they are located. We believe this program should be reauthorized and implemented.

CONCLUSION

Mr. Chairman, America has a vital national interest in a healthy system of higher education -- a system able to provide excellence in scholarship, research, and education, and which offers to all students the opportunity to reach the full potential of their interests and abilities. For the past two decades, the Higher Education Act has stood as the foundation of the federal partnership in this endeavor. It has helped to bring institutional vitality to countless colleges and universities and equity and access to quality programs for millions of young Americans.

Over the last four years, the programs encompassed by this Act have been under siege. And so too has been our commitment to the future of our educational enterprise. The reauthorization of the Higher Education Act provides a necessary opportunity to reverse this trend, to rededicate ourselves and our nation to a postsecondary education system second to none. We look forward to working with you, Mr. Chairman, with the Subcommittee and its staff, and with all others concerned about the future of American education, in a cooperative effort to fashion an appropriate and effective Higher Education Act.

Thank you.

Senator STAFFORD. Thank you very much.

The committee does appreciate witnesses complying with the time limits that are forced on us. And we assure you again that if you have a statement that runs considerably over the 5 minutes, we will place your entire statement in the record, as if read, so that we will be able to study those statements in detail.

Dr. Stockton, as you know, last year the Congress passed the so-called math and science bill which provided $100 million for teacher training and retraining in these subject areas.

Do you know what the plans are for the funds Vermont will receive? Has there been any discussion of this program in the State, that you are aware of?

Dr. STOCKTON. Not that I am aware of, or in which I have been involved, but I do believe from things that I have heard from people in the State Department of Education, that they are well aware, and applying and trying to get their fair share. I just wonder, though, why math and science?

Senator STAFFORD. We can give you our answer to that. [Laughter.]

Dr. STOCKTON. I know you are supposed to be asking.

Senator STAFFORD. That is, that was perceived as the greatest weakness in the report of the Commission on Excellence in Education. Additionally, of course, English, foreign languages, computer science were also there, but those were the two greatest weaknesses, as the commission examined the American public school system.

Dr. STOCKTON. I think a good research scholar could have a field day with the Nation at Risk. I am not challenging its conclusions, but the methodology by which the conclusions were reached.

And some of the others, for example, the Carnegy study, seemed to highlight the English was far more important as a subject, their

language arts as a subject that required lots of help and support in funding, much more than math and science did. Obviously, a person who is weak in language arts is going to have trouble reading some of the technical science manuals.

Senator STAFFORD. Well, thank you.

Carolyn Bessette, I want to add our compliments to those you received when you made your statement. I think you have done a wonderful thing by becoming a teacher, to help yourself, and to help others.

I think it sort of highlights my own fear that should the administration budget reductions and terminations occur, it now appears that something like 1½ million young Americans and Americans of your age, which is just a little tiny bit beyond the youngest ones——[Laughter.]

Might be deprived of the opportunity you had, and that is a very deep concern to all of us, and I am sure all three of you share that. Is that not true?

Ms. BESSETTE. Yes, it is. Thank you very much.

Senator STAFFORD. Thank you.

Congressman Jeffords?

Mr. JEFFORDS. I would like to shift to a little bit different topic, which is of interest to me, and I am sure it is to others also.

I have become very interested over the years in the potential for our future utilization of modern technology, computers in particular, in assisting in the education area. I have seen the results in working with the Plato systems, the controlled data, in the ghettos in Baltimore. I have recently worked with the IBM people in reviewing their results of their experimental kindergartens, where we see 5 year olds touch typing 40 words a minute, writing two or three page compositions in kindergarten.

And I wonder how, or what the Federal role is, if any, to assist in the educational community, in a teachers college in particular, being able to utilize these new modern teaching techniques to take full advantage of what can be done in these areas, including all such things as institutional barriers, psychological barriers, and all of the problems that we are incurring in trying to take advantage of this modern technology.

Dr. Stockton, and on down the table there, if you could give me some brief comments on that.

Dr. STOCKTON. Obviously it is a fact of life that we are moving into a very high tech society, and part of the role of the school system is to prepare children to learn that it is there, and to learn how to cope with it. It comes back to something that we mentioned earlier, that technology is going to stay within industry, and not get transferred into the classroom, to the student, unless we take steps to insure that those teachers who wish, and can, get an opportunity to take the time off to learn what the technology is, and how to use it as a teaching tool. If we do not, we are going to run the same thing as happened about 15 or 20 years ago, when we got caught up in teaching machines, that lasted for about 5 years, and probably in some of the older high schools they are probably under a pile of dust in the basement. Time was never taken to instruct teachers, future teachers and current teachers, on how to use them.

And the scope between the whole computer world and a teaching machine is so vast that it is going to take time to learn it.

What is the Federal role? I suppose it depends on how you read the Constitution. If it is a national priority, then it is a Federal role. The Federal Government has a role in it. Maybe it is cooperative, but I think the Federal Government must do an awful lot more than finance a report that says, that says we have a major problem, a national disaster in our secondary schools, and then cut off, constantly cut off areas of funding to correct it.

Why go through the expense of the report? I think there is a step missing in the logic.

Mr. SUSKIN. Just one comment on the professional development centers. I know the experience in Vermont, with the old teacher training centers was an excellent one. And those centers are no longer funded, and I think what we have found from our own experience, at least with the teachers currently in the field, that is, if you give the teachers the opportunity to develop professional development programs on their own, they are the ones who are best capable of designing those programs, and targeting areas where they need further assistance. And I think, Congressman Jeffords, would tie somewhat into the computer area.

Certainly, many of the teachers out in the field today have not had the opportunity of growing up with computers, and hopefully this will be something which can be coordinated.

Mr. JEFFORDS. Well, if you accept as a given, that there is a potential of bringing 5-year-olds in at the third grade reading level that could cause a shock wave all through the educational system.

The question is: do we just ignore that potential; do we say we cannot handle it because we do not want to handle it, do we not want to create heartburn for people; or do we mobilize in some way to utilize that technology? That is my concern. If there is a role for the Federal Government to try and assist in maximizing education productivity, it might be in this area.

Mr. SUSKIN. I think we would agree.

Mr. JEFFORDS. Thank you.

Senator STAFFORD. Thank you, Congressman Jeffords.

Congresswoman Roukema?

Ms. ROUKEMA. Just one brief question, and since I am not able to be here tomorrow to discuss at length student loans, Ms. Bessette, in addition to commending you for your studies, and your efforts at providing for yourself and your family, could you tell me what range is your student loan debt now, what is the range?

Ms. BESSETTE. What is my range?

Ms. ROUKEMA. Yes. And is it an average, do you think?

Ms. BESSETTE. I think it very well may be. I will be leaving school with a student loan debt of $3,000.

Ms. ROUKEMA. $3,000. All right.

Thank you very much.

Senator STAFFORD. Thank all three of you very much, indeed. We appreciate your help.

The next panel of witnesses will be with respect to title XI, Graduate Programs.

Dr. Kenneth Fishell, assistant vice president, Academic Affairs, University of Vermont; and Patricia M. Hanson, doctoral student and graduate assistant at the University of Vermont.

STATEMENTS OF DR. KENNETH N. FISHELL, ASSOCIATE VICE PRESIDENT, ACADEMIC AFFAIRS, UNIVERSITY OF VERMONT, ON BEHALF OF THE VERMONT HIGHER EDUCATION COUNCIL; PATRICIA M. HANSON, DOCTORAL STUDENT AND GRADUATE ASSISTANT, UNIVERSITY OF VERMONT; AND ROBERT B. LAWSON, ASSOCIATE VICE PRESIDENT FOR RESEARCH AND DEAN OF THE GRADUATE COLLEGE, UNIVERSITY OF VERMONT

Dr. FISHELL. Senator, we snuck one extra in here. This is Bob Lawson, who is dean of the Graduate College at UVM. I thought he might help in answering some specific questions.

Senator STAFFORD. Doctor, we need all the help we can get. [Laughter.]

Before you start, though, we would say to people out in the hall, if they can hear me, that there are now several empty seats here, if the people out there who want to come on in, you probably can be seated, and we will wait for just a minute if you care to come in. [Pause.]

Senator STAFFORD. We believe in the old State Department axiom, if you can sit down, do not stand up. [Laughter.]

And they carry it out. [Laughter.]

Dr. Fishell, we will lead with you.

Dr. FISHELL. All right, I will try to be very brief, and I will only make some general comments, you have a paper that we have submitted.

To begin with, I would like to emphasize that in my own experience I have had 30-plus years in education, and the experience has spanned everything from elementary, secondary, undergraduate, graduate instruction, administration at the college level, and in that I have come to really firmly believe that what we deal with is a real system of education, and an interactive system.

So when we come here today to talk about graduate education, and specifically title IX, I want to emphasize that title IX, or graduate education, is only a piece of what we consider a much larger lement, set of elements, and that this set really and truly is an interactive set.

As Alan Stockton was just talking about, graduate education may well be training or retraining of teachers, that training or retraining will have, we hope, significant impact on elementary and secondary education.

So when we talk about graduate education, I will try to focus on specifics, but I do want to emphasize that we are talking about impacts on all of education.

In terms of, even the acts of the Higher Education Act, or the various titles of the Higher Education Act, there are several titles that affect and influence graduate education, other than the title IX Graduate, Education Title. And so what I would like to do, rather than talking about specifically the title, I would like to talk about some elements that we consider as the most pressing needs

of higher education, and those needs may be answered in a variety of different titles, and I do not think that is terribly important to distinguish that at this particular moment. I group the needs into three broad categories.

First of all, would be the student needs, and in this case the desire to attract the highest ability and highest quality students for graduate study that we can. And in doing this there are several elements that come into play.

One being student assistance, and you will be hitting that a great deal more tomorrow, although I have heard several questions about it even today.

A second type of assistance is fellowship and scholarship programs, which are designed to serve, if you will, the brightest, the sharpest, trying to attract that group. And along that same line, there are some specialty programs that have significance, and particularly significance here in Vermont, and even at the University of Vermont.

I might call attention, for instance, to the GPOP Program here, where you have the possibility now of servicing a particular group, in this case a minority group, in giving them opportunities that might not normally be available.

The other side of that, for an institution like the University of Vermont, is that you may bring a set of cultural and other types of diversity to the institution that might not normally be available. So I would not want to, in any way, underestimate the possibilities of special fellowship programs, when I talk about trying to recruit students.

A third area that I might mention, and I do not know that your committee can do a thing about this, but it seems to me that a part of our problem right now is the issue of public awareness and public support for graduate education. Many people are saying why bother to pursue a doctorate in humanities, for instance, when I can make four times as much with my baccalaureate and computer science, going to work for a major computer company.

So I think that some how, as a nation, we need to step back possibly and reexamine, and at least ask some questions about whether we are making the public as broadly aware as we might of these issues.

A second, totally different area now, would be an area that I have chosen to label faculty development, and in this particular area I think it becomes very obvious a major part of that is the research function of graduate faculty, and this really is what, in my mind, separates the graduate faculty from the more traditional undergraduate faculty. Not that undergraduate faculty members do not do research, are not scholarly, but the graduate faculty member does assume, and has really an expectation, the expectation to be a leader in research and in developing new knowledge.

Whereas a typical undergraduate faculty member may be more directed toward the transmission of that knowledge to people.

Senator STAFFORD. Doctor, I apologize, I think your 5 minutes are up.

Dr. FISHELL. Oh, I am very sorry.

Senator STAFFORD. Can you summarize now?

Dr. FISHELL. Yes. Let me just mention two other issues then that I would label program development in the quality of instruction in graduate education is of concern. Finally, the possibility of special incentive programs, which was brought up just a couple of minutes ago, by Alan Stockton, where if you got a group such as a need in teacher education, or it might be engineering, and sometime in the future a science, or whatever, that those do need to be also given credit and possibly support.

Thank you.

Senator STAFFORD. Certainly.

[The prepared statement of Dr. Fishell follows:]

TO: Joint House and Senate Subcommittee Hearings on the Federal Higher Education Act

February 14, 1985
South Burlington, VT

FROM: Kenneth N. Fishell, Associate Vice President
University of Vermont on behalf of The Vermont Higher Education Council

SUBJECT: Title IX Graduate Programs

I am pleased to have this opportunity to comment on the Higher Education Act and particularly on the Graduate Programs section (Title IX in the present Act). While these remarks will be focused upon Graduate programs, it is important to keep in mind the very significant impact programs in other titles have on Graduate Education. Beyond the obvious impacts of student assistance through Title IX, one must also keep in mind the important impact of Titles II and VII on Graduate Programming. In my institution, The University of Vermont, the funding of Teacher Corps activities through Title V has a significant impact on the graduate programs in the College of Education and Social Service. In fact, one way or another, each of these titles seem to have impacted on graduate education in some way.

Graduate education is distinguished from undergraduate and professional education in that research and graduate education are interdependent. One example of the genius of the American Higher Education enterprise is the coupling of an apprenticeship-like system (a graduate education) with the execution of leading edge research involving some of the most talented, informed, and disciplined minds in this country. Our graduate enterprise has been an outstanding domain in higher education and is faced with many new challenges that can be addressed through appropriate revisions of Title IX.

The following brief statements from the Brademus (1983) report set the stagefor identifying some of the issues before us as a Nation regarding graduate education:

- "In the period of unprecedented national economic expansion following World War II, the number of Nobel Prizes awarded American scientists increased nearly five-fold, while Americans could claim credit for 65 percent of the major technological innovations of the period.
- The United States today enjoys a large favorable balance of payments in commodities relying heavily on advanced chemistry, mathematics, microcircuitry, aeronautics, and metallurgy--commodities such as chemicals and fertilizers, drilling equipment, and aircraft. Computers alone contribute $6 billion annually to our balance of trade.
- Agricultural economists have demonstrated the returns to the nation of the green revolution, a marriage of basic science and husbandry. Such developments as dwarf wheat, miracle rice, and other high-yielding crops and strains not only promise richer harvests for all humankind but contribute $18.3 billion annually to our balance of trade as well.
- Improvements in American health and longevity are based in large part on investments in medical research. Research led to the Salk province, pioneered life-saving techniques in surgery and medical care, and alerted us to the risk to our environmental inheritance.
- In 1979, only 309 Ph.D. degrees in chemical engineering were awarded in the United States, about half to foreign students, many of whom returned to their native lands. We should be graduating at least twice as many doctoral engineers in this area.
- A representative from the Xerox Corporation testified that the national need for graduate-level computer scientists far exceeds the available supply.
- Only 28 percent of the graduate candidates offered admission to the humanities division at the University of Chicago in 1980-1981 accepted the offer; in the social sciences, only 34 percent.
- At Harvard University, only one-third of the summa cum laude graduates of 1980 planned traditional graduate study compared to over three-quarters of such student sin the 1960's."

A major consequence of the withdrawal of young Americans from graduate education is the increasing number of international students where in some disciplines 50 percent of the enrolled students are not American citizens. Lastly, for those who do go on for advanced study, many of those students will be working with outdated equipment housed within inadequate academic facilities.

Clearly, graduate education and research pertain and promote our international and personal economic competitiveness and quality of life. In contrast, to advanced studies in countries with totalitarian regimes where graduate education and research are confined to specialized institutes under strict government direction, we have a plurastic and open system that can advance our physical well being and the life of the mind of every citizen. Graduate education and research are like child rearing, they begin with a creative act, but creativity is not nearly enough. They require constant attention, self-discipline, and sustained support. Support must not only be focused upon personnel but also include property, i.e., scientific instrumentation,given the interdependence between graduate education and research.

Accordingly, we recommend the following revisions for some of the sections to Title IX of the Federal Higher Education Act:

Competitive Awards to Students

- Under Title IX, Part C for the National Graduate Fellows Program, include wording like, "The stipends established by the Secretary should provide a level of support that is sufficient to encourage highly talented students to undertake graduate study in these fields and that is comparable to the support provided by similar programs in other fields"
- Sec. 931 (b) now permits up to 12 months of program-related work, travel, or independent study away from campus except that all fellowship payments are withheld; this provision should be changed to continue payments for up to 12 months for activities

that are integral parts of the graduate program and should also permit a 12-month interruption of study without payments for other reasons approved by the institution

- The Advisory Board should not be required to meet four times annually; the following language is suggested: "The Board shall meet at least once annually or more often as the Board deems necessary to carry out its responsibilities"

Competitive Awards to Graduate Programs

As suggested by many within the graduate community, establish a program of institutional grants awarded through peer review. Graduate programs could use these funds to recruit and retain outstanding graduate students. In addition, some of the funds in these grants (e.g., 30 - 40%) would be used to strengthen the graduate program by supporting research projects, the preparation and presentation of scholarly papers, and the acquisition of library resources and laboratory or instructional equipment.

Competitive grant programs like the above would enable the Department of Education, at a comparatively modes cost, to provide real leadership in promoting excellence in graduate education by linking talented students with tested and proven graduate programs.

Programs to Increase the Numbers of Underrepresented Minorities in Graduate Education

The Graduate and Professional Opportunities Program (GPOP) is an excellent program that needs further strengthening and refinement as follows:

- The authorization level needs to be increased to accommodate funding a greater number of fellowships and to increase the stipend level of those fellowships to a level comparable with other federally funded fellowships
- The restrictions on fields in which fellowships may be awarded and on the number of fellows per field at a given institution should be eased or eliminated
- The period of the fellowship award should be expanded to three years subject to satisfactory annual performances by the candidate.

An important complement to the GPOP program would be an "early intervention" program modeled after the Minority Access to Research Careers program administered by the National Institutes of Health. We propose that Congress authorize the Department of Education to administer a program through which it would competitively award grants to institutions with strong graduate programs that have developed proposals for identifying talented minority undergraduates, principally from other institutions, and providing them with effective, early exposure to the research and scholarly activities they will encounter in graduate school. Such exposure would take the form of summer research internships, seminars, and other educational experiences. In some cases, inclusion of research opportunities for a faculty member who might accompany the undergraduate intern for the summer could significantly enhance the program. Such a program, even on a modest scale, would be a highly effective way to create a pool of minority students who have a competitive preparation for graduate education.

Graduate Faculty provide the research core of institutions. Programs must be developed to continue support of these activities. These research activities are vital input to undergraduate instruction, the national economy, our international competitiveness, and most importantly to the life of the mind of all participants in education.

Note: I would like to acknowledge the assistance of several individuals who helped develop this statement. Both Robert Lawson, Dean of the Graduate College and Associate Vice President for Academic Affairs at the University of Vermont; and Patricia Hanson, doctoral student and graduate assistant at the University assisted in the final writing and editing of the statement. Barry Hertz, Associate Dean of Academic Affairs at Lyndon State College, Jonathan Chase, Dean, Vermont Law School, John Middleton, Director, School for International Training, and Alan Stockton, Dean, Graduate School, St. Michael's College, all members of the sub-committee on Graduate Education of the Vermont High Education Council contributed the ideas that form the content of this statement.

Reference

Brademan, J. (Chair), National Commission on Student Financial Assistance, "Signs of Trouble and Erosion: A Report on Individual Education in America," 1983.

Senator STAFFORD. Ms. Hanson, would you care to make a statement?

Ms. HANSON. Yes.

For the past 5 years I have been in the graduate program in entomology at the University of Vermont. My research on insect parasites of the spruce budworm has been extensive, both in the field and in the laboratory.

Toward the beginning of my program I had an opportunity to study in Peru. I took classes at the National Agricultural University and explored the possibility of joint research between our institutions. I worked part time at the International Potato Center, and assisted in the collection and analysis of data at its research stations in the Sierra and high jungle.

During the same year I helped review the curriculum of a national agricultural school in Honduras with three UVM faculty. Our interactions with that school have spanned the period from 1981 to 1983.

The research support I have received during these years has enabled me to go to school, to get my degree, and to truly devote myself to my chosen field. The international work has given me opportunities to develop myself as an entomologist, which would have been difficult to create otherwise.

Certain contrasts underscore the importance of an international program such as the one in which I participated. In my studies at

UVM I am accustomed to having available to me adequate field equipment and instructional facilities. For example, a mobile entomology unit and weather station were set up in my field plots. I had the exclusive use of two environmental chambers for my insect rearing. I made use of computers and interdepartmentally-available instrumentation, such as electron and photo-equipped microscopes and radiographic equipment.

In Peru and Honduras, basic laboratory equipment, such as binocular microscopes, balances and high temperature ovens were absent, not to mention glassware, maps, plant presses, insect nets and collection boxes. The libraries were small, unorganized and incomplete. Even electricity, which we take for granted, was either intermittent or not usable due to voltage requirements or the absence of needed adaptors.

In the midst of this poverty of teaching and research aids, the students I encountered in these places had a level of dedication that I have rarely seen in the United States. As a student from a prosperous country, I could not help but be impressed and stimulated by the devotion of my Latin American counterparts, who seemed to perceive their professional futures as linked with the physical survival of their society. The international phase of my graduate program provided me an experience which inspires the same sort of dedication to serious problems other countries have to face.

Other factors, such as acquisition of language skills, necessity of self-reliance and familiarization with a different way of life fostered personal development and confidence. It is safe to say that these imperatives create like opportunities for foreign nationals attending American schools.

Thank you.

Senator STAFFORD. Than you very much, Ms. Hanson.

Dr. Lawson, do you wish to make any statement at this time?

Dr. LAWSON. Just a very brief one, Senator.

As we have heard, there are three foci in the graduate education domain: Support for personnel students, support for instrumentation, and support for information systems. We will hear about the latter two later on. These are all united by a focus upon research, and we have heard that research should be supported to a larger extent by the private sector.

I think it is important to remember that for every 1 percent reduction in Federal funding for research would require a 20 percent increase in private sector funding for research, so there is clearly an obligation here for the Federal Government, and the private sector cannot do what some claim that it can.

Thank you.

Senator STAFFORD. Thank you very much, Dr. Lawson. Will we hear from you later with another panel?

Dr. LAWSON. Yes, sir.

Senator STAFFORD. Dr. Fishell, how many graduate students attend Vermont institutions? Would you be able to give the committee a list, either now or in writing, as to the number of students in schools.

Dr. FISHELL. I am sure we can get a listing of that. I cannot give it to you at the moment, but I would be glad to get those statistics for you.

Senator STAFFORD. We would appreciate both the schools and the number of students.

Dr. FISHELL. Yes, by all means.

Senator STAFFORD. Ms. Hanson, did you receive any Federal assistance, as you pursued your graduate degree, which you described so well for us here? If you did, could you describe the relative ease or difficulty of obtaining the aid that you got?

Ms. HANSON. OK. I was awarded with a fellowship, also a graduate assistantship, and that pays my tuition and also a stipend. Just recently my stipend ran out, and I am now on a grant until I finish my studies, which is this year.

Senator STAFFORD. Did you receive any Federal assistance in getting your undergraduate degree?

Ms. HANSON. Yes, I did. I was at the University of Washington at that time. I was on a loan.

Senator STAFFORD. A guaranteed student loan?

Ms. HANSON. Yes.

Senator STAFFORD. Was that important to your completing your baccalaureate degree?

Ms. HANSON. Beg your pardon?

Senator STAFFORD. Was getting that loan important to completing your baccalaureate degree?

Ms. HANSON. Yes; it made it possible. My parents had two other children in college at that point.

Senator STAFFORD. Thank you very much.

Congressman Jeffords?

Mr. JEFFORDS. No questions. I thank the panel.

Senator STAFFORD. Congresswoman Roukema?

Ms. ROUKEMA. I am sorry that I am not going to be here later to hear your testimony, but I am going to look forward to reading the record, and I would like you to explain a little further the 1 to 20 ratio that you pointed out in terms of leverage for research at the college level or at the university level versus the private sector.

Dr. LAWSON. Yes. In terms of Federal support, if we were to experience a 1 percent reduction for higher education and for the research enterprise here in this country, it would require a 20 percent increase in the private sector support of those activities that are currently taking place, which means that the private sector is in quite a position to bargain for those things that they wish, and usually private sector interests are much more limited in focus, which is clearly understandable.

Ms. ROUKEMA. Will you explain that in greater detail, at the panel later?

Dr. LAWSON. I would be happy to.

Ms. ROUKEMA. Thank you very much.

Senator STAFFORD. Thank you, Congresswoman.

Now we will turn to the next panel, on title VIII, which is cooperative education, and Dr. Kenneth Smith, president's office of Norwich University and Robin Cleveland, who is a student at Norwich, will be the witnesses.

We welcome you here. Again we will remind you if you have a long statement, we will place it in the record in full as if read, and ask if you could summarize it. If you have a short statement, read it any way you wish.

STATEMENTS OF DR. KENNETH C. SMITH, ASSISTANT TO THE PRESIDENT, NORWICH UNIVERSITY, NORTHFIELD, VT, REPRESENTING THE VERMONT HIGHER EDUCATION COUNCIL COMMITTEE ON COOPERATIVE EDUCATION; ROBIN CLEVELAND, STUDENT, NORWICH UNIVERSITY, NORTHFIELD, VT

Dr. SMITH. Thank you, Senator. We will try to observe your time limits if we possibly can.

I am here today representing the Vermont Higher Education Council Committee on Cooperative Education, and what I will try to do is summarize, very briefly, the recommendations of our committee.

Although most colleges and universities in Vermont do not now have cooperative education programs in place, our committee unanimously agrees that cooperative education is a valuable and important part of the Federal commitment to postsecondary education, and that title VIII should be reauthorized.

We would urge you to resist any effort to merge cooperative education with the College Work Study Program. There are such significant differences between the two programs in goals, philosophy, and student audience served that any attempt to merge them would work to the detriment of both programs.

As we in Vermont look at the present distribution of cooperative education programs, we sense that they tend to be concentrated in urban areas, perhaps because of a presumption that more potential employers of cooperative education students are found in urban areas. To ensure that as many institutions as possible are enabled to develop cooperative education programs, we strongly recommend that a provision be added to the language of title VIII mandating that the highest ranking application from each State be funded.

Such a requirement would do much to stimulate the spread of cooperative education programs in the Nation's colleges and universities, and would ensure as well that institutions located in predominantly rural States, such as Vermont, would not be at a disadvantage when competing for funds with institutions located in heavily urban or industrialized States.

As a further incentive to the widespread development of cooperative education programs, the enabling legislation should be amended to limit funding eligibility to 5 years for a single institution. When section 802(c) of the act was amended in 1980 to limit funding eligibility to "individual units" of educational institutions, the way was opened for some colleges to periodically reorganize their administrative structures in order to remain eligible for continued funding.

We recommend that the term individual unit be deleted from the enabling legislation, thus limiting funding eligibility to 5 years per institution, and ensuring thereby that more institutions have an opportunity to receive funding.

Because cooperative education requires extensive personal and occupational counseling of students involved in the program and a trained professional staff to work with employers in developing appropriate employment opportunities for students, we strongly recommend that section 803, providing grants for training and research, be retained in the act. Training is critical to the successful operation of these programs, and should be encouraged.

Cooperative education promises to grow in importance as the costs of higher education rise, as Federal, State, and local financial aid funds come under greater stress, and as the number of nontraditional students increases, and accordingly every effort should be made to develop and support innovative approaches to cooperative education.

At Norwich, for example, we are in the first year of our program, and working hard to develop a cooperative model that will permit our students in the Corps of Cadets to participate fully in a cooperative work experience without sacrificing their opportunities to take advantage of the distinctive military life style on the Northfield campus. That will require a program that perhaps differs from the models implied in the current act, which refers to "alternating or parallel periods of academic study and of public or private employment. . . ." (section 801(a)). The enabling legislation should continue to fund projects aimed at fostering innovative methods of cooperative education and disseminating information about them through demonstration grants which would be awarded to model programs.

The State of Vermont can only benefit as more of our educational institutions develop cooperative education programs. They will give Vermont students invaluable on-the-job experience, and create career opportunities that will help to keep bright young people in the State after they graduate. At the same time, cooperative education can assist our students to meet rising educational costs, reducing their levels of postgraduate indebtedness and giving them the satisfaction of meeting their tuition obligations with funds earned through meaningful, personally satisfying jobs that supplement their classroom experience. From any point of view, title VIII makes good sense. We urge you to support it and strengthen it when the Higher Education Act is reauthorized.

Thank you.

Senator STAFFORD. Thank you very much, Dr. Smith.

Ms. Cleveland, we would be glad to hear from you.

Ms. CLEVELAND. Thank you.

I am a first semester senior at Norwich University here in Vermont, and I am majoring in environmental technology.

I am here today to tell you about my experience as a cooperative education student, and to urge you to support title VIII of the Higher Education Act when the Federal Government's higher education laws are rewritten this year.

In these days of very high tuition costs and cutbacks in financial aid, cooperative education programs can make it possible for thousands of students like myself to attend college and gain valuable work experience. That is why I hope you will support title VIII, and work for its continuation.

When I enrolled in Norwich as a freshman, the university had no Cooperative Education Program. My academic program was limited to the classroom, and I was dependent on various forms of financial aid to pay for my education.

At the end of my freshman year, I decided to transfer to Northeastern University in Boston, largely because I could live at home, but also because Northeastern has a Cooperative Education Program that offered me the opportunity to earn part of my tuition while getting firsthand experience in my career field.

As a civil engineering major at Northeastern, I attended classes for my first two academic quarters on campus, but at the same time I went through a training program to prepare me to enter the Cooperative Education Program. We were introduced to various career possibilities in our fields, given practical advice about how to apply for a position, and instructed in the basics of how to hold a job after we were hired.

At the end of my second academic quarter, I interviewed with three engineering firms in the Boston area, and was hired by the Pilling Engineering Co. in Dedham, and assigned to a survey crew. I began to learn new things right away, beginning with surveying, which I had not yet studied. Later, after I had returned to Norwich, I took a surveying course, and I knew the real life challenges faced by surveyors, and that they were not always like the neat problems we saw in our textbooks.

I learned much more than that. I learned what it meant to hold a job with real professional responsibilities. When I worked at Burger King, it did not really matter if I overcooked a hamburger. But if I made a mistake on the surveying crew, it could cost the whole crew an entire day's work, and possibly slow down an expensive construction project.

I learned personal initiative, also. I wanted to help improve our crew's performance, and the other members of the team encouraged me to suggest ideas about how to get the job better. That really made a difference in my attitude towards the job.

The salary I earned as a member of the surveying crew also made a big difference to me. I was paid $4.25, and that was 2 years ago. That may not sound like much, but it is more than the minimum wage I earned in the college work study program, or the other jobs available, and I was earning the money while doing a job was was directly related to my career goals.

After a year at Northeastern, I decided to return to Norwich for academic reasons. Unfortunately, Norwich still did not have a Cooperative Education Program, and I was forced to rely on the standard financial aid package to meet my tuition expenses. I held a college work study job, but instead of using my professional skills on a survey team, I was folding towels in the athletic equipment room. I have learned how to fold towels perfectly, but that is not a skill I need for my long-term career plans.

This year Norwich has a Cooperative Education Program, and it looks certain that I may have a job this summer related to my environmental technology major. I will not be folding towels again. The pay will be better, and I will be using the knowledge and skills I have worked hard to acquire in the classroom over the last 3 years.

That is great, and I am very pleased that it has happened, but I wish it had happened sooner. When I graduate, I will be at least $10,000 in debt. If I had been in a cooperative program for 2 or 3 years, I would owe much less money, and I would have even more experience to offer employers when I go into the job market with my new degree.

I think the Cooperative Education Program can do the same thing for thousands of other college students. We can earn more of our own tuition, reduce our need for Federal, State and local financial assistance, get on-the-job experience, and be better employees when we graduate from college. That is why I hope you will do everything you can to support the Cooperative Education Program, and make it possible for more students to take advantage of it.

Thank you.

Senator STAFFORD. Thank you very much, Ms. Cleveland.

Certainly this matter is in agreement with the recommendations you both made to us. And I appreciate your being here. I have no questions.

Congressman Jeffords, do you?

Mr. JEFFORDS. I just reiterate your remarks. An excellent testimony.

Senator STAFFORD. Congresswoman Roukema?

Ms. ROUKEMA. Thank you very much.

Ms. CLEVELAND. Thank you.

Senator STAFFORD. Thank you both very much.

The next panel will be on title II, College and Research Library Assistance and Library Training and Research, and the witness will be Dr. Dennis Lindberg, director of information and research services, Vermont State Colleges, and the Chair will advise all hands that we will take a very short break following Dr. Lindberg, and will resume in about 10 minutes after Dr. Lindberg's testimony has concluded.

Dr. Lindberg.

STATEMENT OF DR. DENNIS N. LINDBERG, DIRECTOR OF INFORMATION AND RESEARCH SERVICES, VERMONT STATE COLLEGES, FOR THE VERMONT HIGHER EDUCATION COUNCIL

Dr. LINDBERG. Thank you.

I will try to be very brief. I have submitted some written remarks.

Senator STAFFORD. We will place those in the record in full, as if read.

Dr. LINDBERG. Fine.

I am happy to hear the emphasis throughout these hearings being given to the public good. In the debate in the past 2 or 3 years, on the Federal domestic programs, it has often been cast in terms of taking money from particular taxpayers to give to individuals for their own private, selfish, if you wish, aim.

As we think about funding for higher education, it is important to keep in mind the larger kinds of goals that we have for this country as a whole.

If you think about improving academic libraries, that is going to help to increase the qality of education in these institutions gener-

ally. And if we can improve the quality of the things that we do, then we are going to improve the quality of life of the whole country.

In the State colleges there is probably nothing that we can do that would have a greater impact on our quality than to improve the library systems that we have the services that we can provide to our students.

I would like to highlight several things about title II from the testimony that was written. The first is that though title II has been funded in part, there are no benefits of that title coming to Vermont at the present time. There is no funding for any of our libraries at the present.

There are some needs that we have in the State. All our institutions have one or more of these needs. First, some of our institutions need significant numbers of books for their basic collections.

Title II-A, as it has been funded in the past, in small amounts of money, gives to every institution in the country, for instance, $800 the last time around, which will buy 40 books. We need probably 75,000 books for our system, so that 40 books is a drop in the bucket.

Title II-A, we think, ought to be written so that there are competitive grants which could have a major impact on a smaller number of institutions, to get them to the point where they ought to be, so that they can serve their students, so that the students can come out of those institutions and be better prepared to contribute to the whole society.

Second, there is title II-C, it provides support for the major research libraries. In every State there is an academic library that provides basic support for the educational institutions in that State and to its public libraries in that State.

It is important that there be support to maintain those basic research collections for each of the States.

And third, in the proposals for title II-D, there is a call for support for the automation systems that are currently being designed to link libraries together, to enable them to share the resources. I think that is probably the crux of the proposals.

[The prepared statement of Dr. Lindberg follows:]

WRITTEN TESTIMONY ON TITLE II

PREPARED FOR JOINT HEARINGS ON THE

REAUTHORIZATION OF THE HIGHER EDUCATION ACT

Burlington, Vermont

February 14, 1985

Dennis N. Lindberg
Director of Information and Research Services
Vermont State Colleges
for the Vermont Higher Education Council

Senator Stafford has posed two questions to witnesses in this hearing. I will address them in turn with respect to Title II.

How does Title II affect Vermont higher education institutions?

In general terms, as currently written and funded, the answer is not at all.

Specifically:

Title II-A, College Library Resources, is not currently funded. When last funded several years ago, all applying institutions, regardless of need, received about $800. With this amount, an academic library could purchase about 40 books. While welcome, the impact was very small. Amounts of this size are of little help to "library poor" institutions whose needs for collection development are in the hundreds of thousands of dollars.

Title II-B, Library Training, Research, and Development, has had limited funding. Vermont has not benefited as there are no graduate library schools in Vermont and Vermont does not have a shortage of trained librarians. Such research, demonstration and special purpose grants as have been made under Sec. 223 and 224 have not had a known impact upon Vermont.

Title II-C, Strengthening Research Library Resources, has been funded, but no funds have come to Vermont. The University of Vermont qualified under this part this year, but did not receive funding.

Title II-D, National Periodical System, was never funded.

What changes should be made in the Higher Education Act to improve how those programs affect Vermont and Vermonters?

Higher education is important to Vermont and libraries are central in our colleges and universities. All academic libraries in Vermont share in one or more of three major needs:

1. For significant additions to collections supporting general education and degree programs in "library poor" institutions to help them to reach levels that are minimally adequate;

2. To maintain and strengthen the research collections of the University of Vermont Library which serves as the resource library within the state interlibrary loan network, and is relied upon by every academic library in Vermont as well as by many public libraries;

3. To implement multi-institution and multi-campus resource sharing systems, such as the Vermont Automated Library System (VALS) now under development by the University of Vermont, Middlebury College and the Vermont Department of Libraries.

Academic libraries in other states have similar needs. A restructured Title II, fully funded, can provide crucial support in improving the library resources available to students, faculty and the general public in Vermont and thus improve the quality of higher education.

The changes in Title II recommended by the Vermont Higher Education Council (VHEC) in its report to Sen. Stafford address these needs. Specifically:

Title II-A, College Library Resources, needs to be more precisely targeted to provide significant help through competitive grants for a smaller number of institutions to remove major deficiencies in their collections. Federal aid would have a clear, visible impact. As currently written and funded in previous years, Federal aid under II-A has been invisible and had little or no impact as the amounts have been so small as to be insignificant.

VHEC has proposed that institutions be eligible to apply for competitive Title II-A grants if they

---are eligible for Title III support to developing institutions, or

---have a library collection which is less than 75% of the volumes called for through application of Formula A of the 1975 Association of College and Research Libraries (ACRL) standards.

We believe these to be reasonable criteria for determining which institutions should be eligible to apply. Title III eligibility is an overall measure of institutional need. Institutions which as a whole need significant assistance, seldom have strong library collections.

It should be noted that Title III funds may not be used for general library improvement purposes.

Formula A recognizes that there is an irreducible minimum collection that each academic library should have and that increments to that collection are necessary for each student, faculty member, and undergraduate, Masters and Doctoral field of study. Where a particular library stands on Formula A is a reasonable quantitative measure of the adequacy of its library collection.

These criteria would be only a preliminary screening device. We do not recommend that all institutions qualifying be given grants.

Recently, the American Library Association (ALA) and the ACRL have suggested other measures. By their own statistics, both indicators fail to discriminate between "library poor" institutions and others. In addition, there are flaws in each indicator which would work against some needy institutions in Vermont and elsewhere.

The two indicators suggested are: scoring below the median on

---library materials expenditures per student, and

---volumes held per student

using HEGIS data.

Materials expenditures per student is appealing at first glance but flawed in several ways. It is an operating expenditure measure when the deficit in many libraries is a capital deficit built up over many years. An institution increasing its annual spending to overcome decades of inadequacy would be penalized under this indicator. Smaller institutions need to spend more per student because there is an irreducible minimum. For these institutions, library costs should not be variable costs. Finally, while there are broad principals of college and university accounting generally agreed upon, there are major and significant differences in practices. We all have different ways of counting our beans. There are major problems in trying to use HEGIS financial data for comparative purposes. The comparisons are truly between apples, oranges, and pears.

Volumes held per student as an indicator of library need fails to address the question of the irreducible minimum. An example may help. In our study of library needs in the Vermont State Colleges we developed data for our own institutions and a peer group of smaller state supported colleges and university from across the country. We calculated Formula A standards and volumes per student for each. One of the VSC institutions was at 65.5% of standards and had 86.3 volumes per student. An institution in another state which has more than three times as many students was at 79.8% of standards but had only 47.3 volumes per student. Another VSC institution was at 52.8% of standards and had 45 volumes per student. Clearly a volumes per student indicator overstates the need of larger institutions and understates the need of smaller institutions by ignoring the irreducible minimum.

VHEC believes that Title-II-A funds will have maximum impact if used to remove major deficiencies, rather than for ongoing, annual support. Accordingly, we have recommended that awards be for significant amounts ($50,000 to $200,000) and be renewable for three additional years. A detailed collection development plan should be central to the application for these competitive grants.

ALA and ACRL have suggested an ongoing awards program with grants ranging from $2,000 to $10,000 per institution, depending upon enrollment. At current prices, 100 to 500 books could be purchased with grants of this size. Impact would still be minimal. Major deficiencies could not be addressed.

In the Vermont State Colleges there is a gap of 75,000 volumes between current holdings and the 350,000 volumes we see as minimally adequate to support our students, faculty and degree programs in the five colleges. If each VSC college were to receive the maximum $10,000 under the ALA suggestion ($50,000 per year total), it would take us 30 years to close the gap.

Awards should be made to those institutions demonstrating clear need, a competent, achievable plan for library development using grant funds, and a commitment to maintaining the collection once grant funding has expired. Federal funds would be used for specific development projects, rather than for ongoing operating support.

It is essential that each college library have an adequate collection to support its instructional program. Such a collection is often a prerequisite for participation in computer-based systems for library resource sharing. Resource sharing is not, and cannot be, a substitute for the development of adequate basic collections. Federal support is crucial to help build collections to the point where weaker academic libraries can be accepted as useful partners in resource sharing systems.

Title II-B, Library Training, Research, and Development. VHEC recommends that this section be deleted and that the dollar amount previously budgeted be transferred to the revised II D (below) for support of library networks, since this is the area where much of the research and development activity in information management is taking place.

A critical shortage of trained personnel for libraries does not exist. While training and retraining of librarians is a necessary activity, there are more pressing needs for limited Federal dollars.

Title II-C, Strengthing Research Library Resources. We recommend that the following language be added to Sec. 231(a)(2)(B): "or serves as the resource library within a state interlibrary loan network."

It is important that the standards for funding eligibility under this section ensure that at least one major library in each state is eligible for support. Criteria which allows medium-sized research libraries to compete is vital for small states such as Vermont.

While it is true that these libraries do not collect the quantities of esoteric materials that the extremely large research libraries collect, proportionally their need to collect and process research materials pertinent to their own programs, state history and other programs in their state is equally important. In many cases their materials are more heavily used than materials in larger research libraries.

In virtually every state at least one academic library serves as the resource library within the state interlibrary loan network and serves as the library of last resort before requests are sent out-of-state. Support of such libraries under Title II-C will lessen the resource sharing burden on larger institutions and spread this responsibility nationally.

Title II-D, National Periodical System. This section should be deleted and replaced by a section providing support for automated information networks.

Resource sharing among academic libraries increasingly utilizes automated information networks. Capital expenditures for start-up costs and equipment are significant. Yet academic libraries must be part of these networks if they are to adequately support instruction and research. Increasingly, information will be available in electronic format and libraries must be able to provide information to students and faculty members in those formats.

A restructured Title II-D could provide support for institutions or combinations of institutions of higher education which demonstrate need for special assistance for the acquisition, installation, maintenance, or replacement of technological equipment (including computer hardware and software) necessary to participate in networks for the sharing of library resources. Preference should be given to participants in multi-institution networks, institutions with multiple locations, and multi-campus systems.

We are grateful for the opportunity to present our views and will be happy to be of assistance throughout the reauthorization process.

Senator STAFFORD. Thank you very much indeed, Dr. Lindberg. We look forward to your assistance in sifting through some of the recommendations that are going to be made, and some of the proposals in Washington.

I notice that the administration proposal is to terminate this program, or at least zero fund it. I would assume that would be a disaster nationwide, for that to occur.

Dr. LINDBERG. I think so.

Senator STAFFORD. Congressman Jeffords.

Mr. JEFFORDS. Thank you.

I share in your remarks, Senator, thank you very much.

Senator STAFFORD. Congresswoman Roukema.

Ms. ROUKEMA. Thank you very much for your testimony.

Senator STAFFORD. Thank you very much, Doctor.

And now we are almost back on time, so the Chair will declare a recess for about 7 minutes, and then we will resume.

[Short recess.]

Senator STAFFORD. We will ask the joint meeting of our two Committees to come back to order, and the first post-break witness, in a second incarnation, will be Dr. Robert Lawson, Graduate School, University of Vermont, but before you testify, Dr. Lawson, we have a letter from the Governor, and if you would forebear for just a moment, I think it would be appropriate at this point in the record for Governor Kunin's letter to be read into the record.

Mr. JEFFORDS. Thank you, Mr. Chairman, I would be happy to read the Governor's letter, sorry she could not be here.

Dear Senator Stafford and Congressman Jeffords: "I commend you for holding this hearing on the reauthorization of the Higher Education Act. As you know, that law is critical in providing access to education for Vermonters. I applaud your effort to ensure that the Federal Government continues to meet its obligations in this regard. I share your concern about the impact proposed Federal budget cuts will have on educational opportunity in our State.

Providing access to higher education is both a commitment to our young people and an investment in our future. We must keep faith with this generation of young people and with their parents. The proposed cuts in higher education assistance could force many middle-income Vermont families to deny their children a college education.

Congress has been asked to deny loans to students from families with incomes above $32,000; eliminate grants and work study jobs to students from families with incomes above $25,000; and to cap maximum grants to students at $4,000. Many Vermont families have more than one student in college and with rising education and living costs, these income limits are unrealistic. We will pay the price down the line if we do not invest now in providing our children the basic tools they will need to join the work force and participate in our economy. In Vermont, as everywhere, a more highly educated work force is demanded and a greater amount of higher education assistance is needed to keep pace with a changing economy.

As you know, Vermont has a distinct system of higher education. It differs from those of most other States in the way it is financed, the way it is organized and coordinated, the sources of its students and its importance to the State's economy.

As compared to most other States, Vermont's financing of higher education is an approach which balances relatively high public institution levels with equal emphasis on a very strong student aid program. Vermont provides high quality student financial aid programs for its students through the Vermont Student Assistance Corporation, supplementing the Federal Government's sources of assistance. Vermont has increased appropriations for student aid approximately 35 percent over the last 3 years and ranks second among the 50 States in the finding of student finanical assistance. We are doing our part. These programs help Vermonters in financial need to attend colleges, universities or other postsecondary schools, either in Vermont or elsewhere.

Vermont's higher education system includes a large and diverse group of both independent and public colleges and universities which offer a wide range of educational programs. Our colleges and universities enroll large numbers of students from other States. Vermont leads the country in the percentage of its total enrollment coming from out of State. In the fall of 1984 Vermont institutions enrolled over 30,300 students, including 16,300 Vermonters and 14,000 out-of-State students.

I am pleased that the members of the Vermont Higher Educaton Council have worked for the last 18 months to produce a report on reauthorization. The five subcommittees, comprised of experts in the field of higher education, have spent hundreds of hours analyzing and evaluating existing Federal laws and programs to develop specific recommendations.

The Council's report will provide a solid foundation for rewrite of the Federal Government's higher education laws and we in Vermont are proud of their significant contribution to this important process.

The primary objective of reauthorization is to achieve a complementary balance among Federal, State and institutional resources necessary to support accessible, quality, higher education. As Governor of Vermont, I look forward to working with you to achieve that goal.

Sincerely yours,

MADELEINE M. KUNIN,
Governor.

Senator STAFFORD. Thank you very much, Jim, for putting that letter in the record.

As a footnote, we might also place in the record the fact that Vermont has the second highest employment in high tech industry per capita of any State in the Union.

Dr. Lawson, we would be would be very glad to hear from you.

STATEMENT OF DR. ROBERT B. LAWSON, ASSOCIATE VICE PRESIDENT FOR RESEARCH AND DEAN OF THE GRADUATE COLLEGE, UNIVERSITY OF VERMONT, ON BEHALF OF THE VERMONT HIGHER EDUCATION COUNCIL

Dr. LAWSON. Thank you very much, Mr. Chairman and Congressman Jeffords.

I am pleased to comment on title VII, which regards academic facilities. This testimony is guided by four basic principles, which are as follows:

Most of our academic facilities, which is well known, were constructed in the 1960's, and require renovation, not only due to aging, energy costs, and regulatory forces, but also in response to fundamental changes within the academic disciplines housed within those facilities.

We are witnessing in the higher education community a convergence of the disciplines, driven primarily by instrumentation needs, equipment used to do science, to do arts, to do humanities, leading to more and more team science, or team humanities and team arts.

The second major principle is that we are witnessing today an emerging transition, moving us from the need for funds primarily for people to property. The trend can be expected to endure into the foreseeable future.

A third principle is that the research and mission agencies, such as the National Institutes of Health, National Science Foundation or the Department of Defense, cannot provide a loan for undergraduate and some graduate academic facilities for equipment needs.

And the final principle is that the private sector support is too focused and limited to compensate for Federal support for academic facilities and research, in that a 1-percent drop in Federal support of university science requires a 20-percent increase in industry support to make up for such a decrease.

I was asked to explain that comment earlier. And basically, there are fewer funds flowing from the private sector into the support of education. What funds are, are very much targeted, and the benefits that accrue to the private sector are quite large; ask any business person if he or she would hire an educated person over one who is not educated. And the pressure needs to be applied for a continued and expanded support in the private sector, but we are at a disadvantage.

The facilities and equipment dilemma is found in almost all the disciplines, as Congressman Jeffords noted earlier. We find on our campus, and I am sure on other campuses, well, humanities professors running around now, not with books under their arms, but with floppy disks, and their micro, saying how could I ever live without my micro computer.

We are not just talking about bench science. We are talking about all of the disciplines here. Furthermore, if we took a quick spin around a comprehensive university, like the University of Vermont, which is ranked consistently in the National Science Foundation's top 100 institutions earning Federal support, which is dwarfed in size by many of the other major research universities, we would find research equipment, such as a nuclear magnetic resonance spectroscopy, which is a standard word, a standard term for graduate students, and within 2 years will be standard terminology for an undergraduate senior in chemistry. This is a standard piece of equipment.

The price tag for an NMR, just to get it off the shelf, is $210,000. It says nothing about the facilities in which such an instrument is housed. They must be air conditioned, they must be secure, and must bave proper humidity.

Elsewhere we find electronmicroscopes, with a basic sticker price of $265,000. Cellsorters at $207,000. HPLC's at $15,000 a piece. We just arranged about a year ago this past month to have students from Trinity College come over and work on the high performance liquid chromographs at the University of Vermont. These are pieces of equipment that sound foreign to us today, but within a very short period of time are going to be common terms for our undergraduate, and certainly for our graduate students.

These are important pieces of equipment, which will continue to lead to front line state-of-the-art advances. What is happening here within the disciplines with regard to this equipment, which is taking up more and more of our budgets? We are finding a number of things that are happening.

People are coming together to share a piece of equipment. We cannot have, in a single classroom, or a single laboratory, a piece of equipment for $250,000 without people using it; they are coming together, and we are seeing a convergence because of the instrumentation. It is the instrumentation that is now driving the science, rather than the other way around, and it makes no difference whether we are talking about humanities or the arts, at least in terms of our preliminary observations.

Another thing that is happening is that individual investigators cannot go to the National Institutes of Health and say I would like a $250,000 piece of equipment for five students. That just does not cut it any more.

What happens is a variety of scientists have to come together and apply for those dollars. So the funding sources are driving the disciplines together too. So we find microbiologists and biochemists working together. We find here at the University of Vermont chemists working with the faculty from the department of pharmacology.

And lastly, we cannot count on private sector support for this kind of equipment because industrial support is extremely targeted, and it is very much interested in contracting for intellectuals, rather than equipment power. The equipment already resides within the industry; they can write it off in terms of depreciations, their tax benefits that accrue.

So, these forces that are focusing more and more attention on the need for what is very expensive equipment. I think the situa-

tion is even more pressing at 4-year colleges, where, for example, basic laboratory microscopes go for $1,000 apiece, and if you have 25 or 30 students in your introductory chemistry class, you are talking about $30,000. They are good for 5 years, and then you have to start over again.

Small animal surgical suites for advanced undergraduate students go for about $10,000 to $15,000. If we want to add a new classroom here at the University of Vermont, or at Trinity College or at any institution in this country, it is going to cost us about $110 per foot square building cost, compared to $50 per foot square.

Now, there may be fewer people that are projected to enter our colleges in the years ahead. I think what is going to happen is the nature of the clientele is going to change, and the clientele will be the more mature sector coming back from the industry, who will require state-of-the-art instrumentation in order for there to be further education beyond the levels that they have already experienced.

In summary then, we wish to recommend that for this title we develop a Competitive Grant Program for academic facilities, and that the title be expanded to include a grant for academic and research equipment, as well as facilities. Multiuser equipment available to a range of academic institutions would serve the needs of many students and many scholars.

There is a growing body of data to indicate that both shortages of equipment and the antiquated quality of equipment in America's colleges and universities is perhaps the most acute problem facing our institution today.

A most recent report from the National Science Foundation, published in December 1984, surveyed a computer science, engineering, and chemistry department, reports that department heads rate that what they considered in 1982 to have been state of the art equipment, used to train advanced graduate students, is now outdated. Three years.

The cycle for going from state of the art to standard equipment is getting shorter and shorter, and the equipment, by the time it trickles down to the undergraduate level, will be outdated.

Thank you very much.

Senator STAFFORD. Thank you very much, Dr. Lawson.

If you could, could you tell the committee what the average debt load is that a graduate student leaving the University might carry when they go out?

[The prepared statement of Dr. Lawson follows:]

Testimony for the Joint House and Senate Subcommitte

Hearings on Reauthorization of the

Federal Higher Education Act

Presented by

Robert B. Lawson

Associate Vice President for Research

and Dean of the Graduate College

on behalf of

The Vermont Higher Education Council

February 14, 1985

Title VII - Grants for the Construction, Reconstruction,

and Renovation of Academic Facilities

I am pleased to comment on the Higher Education Act and particularly on Title VII - Grants for the Construction, Reconstruction, and Renovation of Academic Facilities. This testimony was prepared with the support of the Titles II and VII Subcommittee of the Vermont Higher Education composed of Eric R. Gilbertson, Johnson State College, (Chairman); Robert B. Lawson, University of Vermont; Dennis Lindberg, Vermont State Colleges; Robert Hahn, Trinity College; and Patty Klink, Vermont State Libraries. Our testimony concerns academic facilities dedicated to undergraduate education which focuses upon the transmission of existing knowledge (teaching facilities) and graduate education which focuses upon the acquisition of new knowledge (research facilities).

Our major observations and principles guiding the testimony regarding academic facilities here are as follows:

- Academic facilities constructed in the '60's require renovation not only due to aging, energy costs, and regulatory forces, but also in response to fundamental changes in the academic disciplines housed within such facilities. We are witnessing a convergence of the disciplines, driven by instrumentation needs, to yield more "team science" which requires more multi-user equipment facilities.

- Today we are witnessing an emerging transition moving us from the need for funds primarily for people to property. This trend can be expected to endure into the foreseeable future.

- The research and mission agencies such as NIH, NSF, or DOD cannot provide alone for undergraduate and some graduate academic facilities or equipment needs.

- Private sector support is too focused and limited to compensate for federal support for academic facilities and research in that a 1% drop in federal support of university science requires a 20% increase in industry support to make up for such a decrease.

As is well known, the majority of our academic facilities were constructed over 25 years ago starting in the early '60's. Such facilities at universities and the four and two year colleges (perhaps even more so at the two-year technical and professional schools) must be renovated not only because of physical factors but also fundamental changes within many of the disciplines housed within such facilities. (Branscomb, 1981; Knapp, 1984; National Commission on Student Financial Assistance, 1983; National Research Council, 1982; and Scherago, 1985). For example, some scientific equipment found today in graduate and teaching laboratories didn't exist 25 years ago or was not widely available even five to ten years ago. In fact, in a recent NSF report entitled Academic Research Equipment in the Physical and Computer Sciences and Engineering Department Chairpersons for these disciplines report that the median age of the state-of-the-art equipment ($10,000-$100,000 unit cost) is three years or less (National Science Foundation, 1984).

The facilities and equipment dilemma is found in almost all the disciplines. For example, some of our humanities professors now claim that they could not be as productive or get along without their microcomputers. Furthermore, a quick tour of a comprehensive university like the University of Vermont which has ranked consistently in NSF's top 100 institutions earning federal support but is dwarfed in size by some of the major research universities, would reveal equipment stock such as a NMR for nuclear magnetic resonance spectroscopy, a standard piece of equipment in any Chemistry Department offering undergraduate and graduate programs. The price tag just to get it off the shelf is about $210,000 without any required peripherals or facilities costs. Elsewhere we find Electron Microscopes with a basic sticker price of $265,000, Cell Sorters at $207,000, and High Performance Liquid Chromatographs at $15,000 a piece. Fortunately, these expensive and necessary research tools are all multi-user equipment items housed in multi-user equipment facilities, designed or renovated to respond to equipment specifications and user needs. With current trends in research and teaching equipment, there is increasing pressure and need to build more such facilities.

A number of subtle yet pervasive outcomes of this transition to scientific instrumentation housed in up-to-date academic facilities are (a) the growth of "team science" so that the disciplines are not as distinct as in the past with such teams working with sophisticated multi-user instruments housed in multi-user facilities, (b) individual investigators through the RO1 route of PHS or the NSF divisional research programs cannot secure adequate funds for such equipment because of the limited resources and guidelines for these programs, and (c) industrial support which is usually extremely targeted and more interested in contracting for intellectual rather equipment power cannot be considered a source of funding for such facilities or equipment. Thus, if scientific and technological advances are to occur in this country, and we are to maintain a competitive edge in science and industry, we shall need a sustained support program for renovating and replacing $50/ft academic facilities and the acquisition of state of the art scientific equipment.

We believe the situation is just as pressing at the four year colleges where for example, basic laboratory microscopes go for $1,000 apiece, microcomputers at $2,000-3,000, small animal surgical suites at about $10,000 to $15,000, and so on. Just to renovate existing facilities for a basic laboratory for an introductory chemistry or biology course costs about $110/ft^2 compared to $60/ft^2 for classroom or $50/ft^2 for office space. If our professors and students are not in the teaching laboratories, they will be forever confined to the classroom and we shall all be short changed. It is imperative that our undergraduate teaching laboratories be as well equipped as possible so that those with the baccalaureate can compete in the market place or in our graduate or professional schools which now enroll a growing number of international students.

Lastly, the need for federal funding, albeit never really provided under this title, for barrier removal, asbestos hazard removal, and energy conservation has diminished in importance relative to the needs to renovate academic facilities.

It is clear that any funds allocated under this Title would be better spent under a competitive grant program -- this, to avoid end runs around the peer review system for a few major institutions, generally selected for political purposes.

We recommend, therefore, that this Title be amended to specify that grants be allocated on specified criteria under a competitive grant program. Certain stipulations might be built into the criteria to ensure against a disproportionate geographic distribution of such grants; criteria to ensure that the funds are spread equitably between large institutions and small institutions; criteria which provides for a user orientation and appropriate access to major research instrumentation facilities serving users from many institutions.

It is further recommended that this Title be amended to provide competitive grants for academic and research equipment as well as facilities. Multi-user equipment, available to a range of academic institutions, would serve the needs of many researchers and disciplines. There is a growing body of data indicating that both shortages of equipment and the antiquated quality of equipment in America's colleges and universities is, perhaps, the most acute problem facing our institutions today. This is particularly true with respect to scientific equipment, where technological advances have far outstripped the capacity of college and university equipment budgets to keep up.

As a result, students are often trained on equipment that is well behind the "state of the art" tools they will encounter in the laboratory or workplace. Often, the equipment at colleges and universities is even inferior to that available in more richly funded high schools.

The amendment of Title VII to provide, under competitive grant programs, major support for equipment -- particularly scientific equipment -- for America's colleges and universities would be a very progressive and far-sighted step, particularly if properly funded. This is also absolutely necessary to maintain our nation's competitive position internationally in science and engineering.

The problem of antiquated and insufficient equipment is nationwide in scope, with long-term deleterious effects for higher education and the graduates it produces -- and eventually to the American economy. This problem represents a real challenge and opportunity which we can embrace given resources, determination, and discipline.

We urge, in the strongest possible terms, that this challenge be addressed and we strengthen further the partnership between the colleges, university, and federal government for the public good. Title VII provides the structure within which a major authorization for this purpose could be enacted.

We acknowledge the comments and contributions of Dean Ann Spring and Mr. Ralph M. Swenson, University of Vermont, Burlington.

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Dr. LAWSON. The average graduate student leaving, is going to carry probably a debt load in the order of about $7,000 or $8,000, on top of whatever his or her debt may have been from the undergraduate years.

Senator STAFFORD. All right, thank you very much.

Congressman Jeffords.

Mr. JEFFORDS. I think you have already answered this, but I would like to reemphasize it. The administration's argument is, I believe, to eliminate this title, as far as money goes. Is that because of the declining youth population, there is going to be a declining need for bricks and mortar; therefore, we do not need this title.

It is my understanding that due to the changes in our society, and the needs that may be created through technological changes, along with the huge demand for high cost technical equipment, that this title is still very viable and necessary. This would allow the colleges to be ready for the future, is that accurate?

Dr. LAWSON. I think that is an accurate assessment, and that we need renovation of existing facilities, for new instrumentation, which is really the key to scientific progress.

Mr. JEFFORDS. Thank you very much.

Senator STAFFORD. Thank you very much, Doctor. We really appreciate your help.

Dr. LAWSON. Thank you.

Senator STAFFORD. The next witness will be Dr. Thomas Meier, president, Castleton State College.

Welcome to the north country, Tom. [Laughter.]

We are very glad you are here, and we look forward to your testimony with respect to title III.

STATEMENT OF DR. THOMAS K. MEIER, PRESIDENT, CASTLETON STATE COLLEGE, CASTLETON, VT

Dr. MEIER. Thank you very much.

Let me extend my thanks on behalf of the higher education community of the State of Vermont to both the House and Senate subcommittees, and especially to Senator Stafford and Representative Jeffords, for the opportunity to address you on the issue of title III funding. I have been assisted in the preparation of today's remarks by active subcommittee work and the contributions of many Vermont higher education leaders acting under the auspices of the Vermont Higher Education Commission.

Historically, title III exists to assist developing institutions improve academic quality and fiscal stability. The intended outcome is greater self-sufficiency for the eligible institutions.

New last year was the Endowment Program which provides matching funds for college endowment fund raising. It restricts these funds for a long period except for financial exigency.

Our subcommittee wishes to affirm the original intent of the title III act, and specifically, its emphasis on capacity building as opposed to operational support.

And before turning to our recommendations let me beg your indulgence while I point out some of the benefits my institution, Castleton State College, has reaped from a title III grant. A long-standing dream of the college has been to seek program accredita-

tion for the college's baccalaureate nursing program to match the accreditation that our associate program has had for a number of years. Title III has given us the opportunity to ready that program for accreditation with great advantages to our graduates as they seek nursing positions.

In addition, title III funding has made possible the startup of Castleton's new computer information systems program, the most highly competitive program the college offers and one which is equipped with the hardware and software necessary to make our graduates very competitive in the job market. I could go on with other examples, but my point is that title III does a great deal of good for institutions and for the students.

We have two recommendations. Recommendation No. 1: Many institutions become dependent upon title III by using funds for pseudo-operational support. Since the original intent of title III was capacity building, not operational support, we recommend that in the legislative language the issue of institutional dependency be addressed and remedied.

Our suggestion is to change institutional eligibility, which now offers a single 4- to 7-year grant, or shorter, multiple grants. We suggest that after a suitable hiatus, institutions which have or have had a single 4- to 7-year grant, be allowed to come back to title III, but for shorter targeted grants, specifically dealing with one issue. We assume that an institution does not become developed after one grant period.

Similarly, we recommend that a suitable hiatus occur for the single purpose, multiple year grants. For example, an institution might be funded for 3 years, not be eligible for title III funding for another 2 years, come back to title III for 3 or 4 years, be out for 2 or 3 years, et cetera. This leapfrogging eligibility would address not only the issue of an institution's dependency on title III funds, but also the issue of eligibility for institutions which have received a single 5-year grant.

Recommendation No. 2: We applaud the creation of the endowment program as a means of encouraging eligible institutions to develop a more solid financial base. However, we find the $50,000 minimum eligibility for matching funds to be too high a threshold, especially for small institutions, which, as you know, abound in Vermont.

We, therefore, propose a lower threshold of $15,000 to $20,000. And we further recommend that eligibility for applications to the endowment program be extended to include institutions which have within the last 10 years had title III grants.

This concludes my formal testimony. Thank you again for the opportunity to appear, and let me take this opportunity to applaud the leadership of these committees over the past years; we are also aware of your individual role in the past year, and we have not forgotten that.

[The prepared statement of Dr. Meier follows:]

TESTIMONY OF DR. THOMAS KEITH MEIER
PRESIDENT, CASTLETON STATE COLLEGE

February 14, 1985

UNITED STATES SENATE - SUBCOMMITTEE ON EDUCATION, ARTS, AND HUMANITIES

HOUSE OF REPRESENTATIVES - EDUCATION AND LABOR COMMITTEE

Title III

Let me extend my thanks on behalf of the higher education community of the State of Vermont to both the House and Senate subcommittees and especially to Senator Stafford and Representative Jeffords for the opportunity to address you in the issue of Title III funding. I have been assisted in the preparation of today's remarks by active subcommittee work and the contributions of many Vermont higher education leaders acting under the auspices of the Vermont Higher Education Commission.

Historically Title III exists to assist "developing institutions" improve academic quality and fiscal stability. The intended outcome is greater self-sufficiency for the eligible institutions. Title III funds two kinds of programs: (a) strengthening of institutions, and (b) aiding institutions with special needs. Typically, an institution could apply for a single four to seven year period (one grant) or for shorter multiple grants (for an unlimited number of grants).

New last year was the "Endowment Program" which provides matching funds for college endowment fundraising. It restricts these funds for a long period except for financial exigency.

Our subcommittee wishes to affirm the original intent of the Title III Act: specifically, its emphasis on capacity building as opposed to operational support. For example, we

would support an institution's use of Title III funds for enrollment planning but not for recruiters to seek new enrollment. We believe that emphasis should continue to be placed on the improvement of academic quality, institutional management, and fiscal stability.

Before turning to our recommendations let me beg your indulgence while I point out some of the benefits my institution, Castleton State College, has reaped from a Title III grant. A long-standing dream of the College has been to seek program accreditation for the College's baccalaureate program in nursing (our associate program has been accredited for a number of years). Title III has given us the funding to ready that program for accreditation, and in fact, a team from the National League For Nursing has visited us this month as part of the process. Program accreditation would ultimately bring great advantages to the program itself and especially to our graduates as they seek nursing positions. In addition, Title III funding has made possible the start-up of Castleton's new Computer Information Systems program, which is the most highly selective program the college offers and which is equipped with the hardware and software necessary to make our graduates highly competitive. I could go on with other examples, but my point is that Title III made possible in a few years that which might have taken decades without it.

We have two recommendations.

RECOMMENDATION #1

Many institutions become dependent upon Title III by using funds for pseudo-operational support. Since the original intent of Title III was capacity building, not operational support, we recommend that in the legislative language the issue of institutional dependency be addressed and remedied. Our suggestion is to change institutional eligibility, which now offers a single four-to-seven year grant or shorter, multiple grants. We suggest that after a suitable hiatus, institutions which have or have had a single four to seven year grant, be allowed to come back to Title III, but for shorter targeted grants, specifically dealing with one issue. We assume that an institution does not become developed after one grant period. Similarly, we recommend that a suitable hiatus occur for the single-purpose, multiple year grants. For example, an institution might be funded for three years, not be eligible for Title III funding for another two years, come back to Title III for three or four years, be out for two or three years, etc. This leapfrogging eligibility would address not only the issue of an institution's dependency on Title III funds, but also the issue of eligibility for institutions which have received a single five-year grant.

RECOMMENDATION #2

We applaud the creation of the Endowment Program as a means of encouraging eligible institutions to develop a more solid financial base. However, we find the $50,000 minimum eligibility

Testimony of Dr. Thomas Keith Meier
Title III
Page 4

for matching funds to be too high a threshhold, especially for small institutions, which, as you know, abound in Vermont. We therefore propose either a lower threshhold ($15,000-$20,000) or a sliding scale based in part on the institution's enrolled full-time student equivalency. Further, we suggest that the categories of funds which may be used as matching funds be expanded to include irrevocable trusts, real estate, and capital gifts. We further recommend that eligibility for applications to the Endowment Program be extended to include institutions which have within the last ten years held Title III grants.

This concludes my formal testimony. Thank you again for the opportunity to appear, and let me take this opportunity to applaud the leadership of these committees over the past years; we are also aware of your individual role in the past and we have not forgotten all that you have contributed to higher education.

Senator STAFFORD. Thank you very much, Doctor. We appreciate your statement, and the time that was taken, and the trouble you have taken to come here and help us out. I have no questions.

Congressman Jeffords?

Mr. JEFFORDS. First of all, I know both the Senator and I have a great affection for your institution. The one that is closest to us, both in proximity and our hearts, I am sure. For what it has done for our area.

I wonder if you would answer this. First of all, I think this is one of the programs, which believe it or not, the administration has not decided to decimate or alter in any significant fashion. So that may remove some of the need for any further questioning and perhaps the less we say about it, the better. [Laughter.]

They might find some reason why we ought to do something about cutting it. Would you tell me what the present cost of tuition, room and board would be at Castleton?

Dr. MEIER. It is approximately $2,000 tuition for in-State students, and some $1,200 a year in addition each for room and board. Out-of-State students are charged about $4,000 tuition.

Mr. JEFFORDS. So the cap that is put forward here by the administration probably would not significantly interfere with your students at your College?

Dr. MEIER. Oh, yes, it would. Because, you know, when you add all the costs up, we would be affected by the cap, because public

higher education in the State of Vermont is among the highest in the Nation.

Mr. JEFFORDS. In terms of cost?

Dr. MEIER. So we are a high cost public institution.

Senator STAFFORD. The figures you just gave, Doctor, to Congressman Jeffords, were tuition only, were they not?

Dr. MEIER. Yes. The $2,000- and $4,000-figure, of tuition only.

Senator STAFFORD. Could you give us some judgment as to what it might cost the average student to attend the college?

Dr. MEIER. Sure. The Vermont student would be spending $5,000 to attend Castleton, and the out-of-State student significantly more than that, over $7,000.

Senator STAFFORD. They would be at least $7,000?

Dr. MEIER. Right.

Senator STAFFORD. All right.

Thank you very much, Doctor.

Dr. MEIER. Thank you.

Senator STAFFORD. The next witness will be Dr. Jack Lindquist, who is president of Goddard College, and he will be talking about titles I and X.

Doctor, before you start, this Senator has watched affairs at Goddard College since I was Governor of the State, further back than I care to think about, and I guess the college could be likened to sort of an intellectual Perils of Pauline. [Laughter.]

STATEMENT OF DR. JACK LINDQUIST, PRESIDENT, GODDARD COLLEGE, PLAINFIELD, VT

Dr. LINDQUIST. Not while I am drinking water. [Laughter.]

Senator STAFFORD. But I congratulate you, I think you have pulled the place around, and that it is flying right, and you have even got a balanced budget.

Dr. LINDQUIST. Can you believe it? [Laughter.]

Senator STAFFORD. Just barely. [Laughter.]

Dr. LINDQUIST. That is right, me, too. It is just barely balanced.

I might make a comment about title III, before I launch into titles I and X.

Senator STAFFORD. Certainly.

Dr. LINDQUIST. Goddard would not be here today if it were not for title III. Title III, in one of its either errors or pieces of wisdom, brought me to Goddard as a consultant, and provided a team at the time to learn how to work with the rest of the college, which was in serious trouble. It provided time for the rest of the college to get together and agonize over what and how to radically reorganize that place so it would work, and we did that 4 or 5 years ago.

So here is a college that has been a pioneer in many ways in higher education, and still will be, that simply would not be here, as many of the students would not be here without some of those funds.

The largest dream in America, it seems to me, is a dream of a fully educated citizenry, and fully in two ways that I think these two titles speak to. One is that we mean everybody. We mean black people, and we mean women, and we mean people of physical dif-

ference, we mean people who have other kinds of difficulty in getting easy access to traditional higher education.

And fully also means to such a level that our citizenry is going to be able to handle the kinds of complex issues of the future, and the kinds of complex work of this future.

I am working, for instance, with two groups, one of UAW Ford workers, in the Midwest, and another group, USDA meat and poultry inspectors all over the country. Both of those groups that have years of work behind them are going to be out of a job, unless they learn a much more complex way to work with robotics in the Ford plant, and learn to work with increasing sophistication on the agricultural side and on the meat processing side, in food safety and inspection services.

So the question then becomes how in the world are we going to achieve a fully educated society? One answer is, obviously, access. And Governor Kunin spoke particularly to that. And we are going to be addressing that tomorrow.

I just asked my financial aid officer, by the way, how Goddard would be affected, how Goddard students would be affected, if the President's proposed cuts came through, and she said about 50 percent of the on-campus students' continuance at Goddard would be seriously jeopardized. She did not see how in the world they would be able to stay at Goddard. They would have to choose a less expensive form of education, and, of course, independent higher education becomes jeopardized when that choice has to be made.

The other side of a fully educated society is effectiveness. We have had report after report that said that not only the lower schools, but colleges and universities are in trouble. One of them was written by William Bennett, the new Secretary of Education; one came out this week by the American Association of Colleges, the NIE study group. It is a consistent refrain.

We know that letting people into college and then not being effective for them can be almost a greater tragedy than not letting them in at all. The revolving door is one of the most painful experiences in higher education.

Now, these two titles are tremendously important. One has not been funded lately, and the other one is facing the axe in the current budget. Title I, which in our committee we like to think of as the lifelong learning society title, the title for continuous adult learning, is absolutely necessary to a rapidly changing society.

The other is title X, the Fund for the Improvement of Postsecondary Education, where Peter Smith, when he was here before, spoke, I think, pretty eloquently to. I will mention that Peter and I are alums of the Fund, and one of its powers I suspect is in what its alums learn and act on.

I have been a director of a national project funded under this title. I have consulted with probably 200 colleges and universities that have had fund grants in one way or another. I have been an evaluator of fund programs, and there are two things that I have found laudable in the Fund for Improvement of Postsecondary Education, besides its phenomenal success in the implementation and cost pick up by the institutions it has aided.

One is that when I started evaluating, I found new programs for home-bound handicapped people that institutions had not thought

to serve, institutions that had not appreciated the power of radio in the lives of those people, before fund projects supported them. It got me awfully excited about the potential of the fund.

When I found programs that assisted prisoners to reorganize themselves for a more productive life, not only while they were in prison, but in making the transition out of prison, into career areas, other than the one they had chosen—which got them in there in the first place—I found again the power of those programs. And I found in women's programs, in programs in adult development, what the liberal arts can mean for all our citizens.

The Association of American Colleges says the liberal arts are on the decline. If you look at the National Project of the Fund for Improvement of Postsecondary Education, you will see some of the most exciting liberal arts programs going on any place in that project.

In our own institution, the education for women's development project, which was cosponsored by Wellesley College and Bard College and Goddard College with the help of FIPSE, has increased our understanding of higher education of women, and of women's development and the power of education when it really rethinks itself for women, in a way that simply had not happened before

[illegible] excitement, however, is when you go to a fund di[illegible]. What has happened in the Fund for Improvement of Postsecondary Education that simply has not happened elsewhere is that people who are excited to make learning different [illegible] together once a year, find each other, and have built a network of commitment to increase quality in education, [illegible] have seen anywhere else, and I have been in in[illegible] the last 20 years.

[illegible], Peter, and myself, I can name a whole slew of college presidents who have come out of that program, and people in many other walks of life, who have brought about a change, a positive change in higher education, because of the fund. If the fund is gone, the network goes. If the network goes, the excitement goes. And we are not going to be able to respond to what those reports about problems and needs in higher education have said to us.

Now, obviously those reports are saying the job is not done. In general, higher education has got some serious problems. It is not the time to eliminate the fund. The time to eliminate the fund is when we have got those problems licked, and that is going to take a while.

So we have two recommendations. One is on title I. To regard that as the lifelong learning society title, either in title I, or subsumed under title X, with FIPSE, and not to use it to fund new ideas in higher education, because we have many very fine ideas for adult learning. Use it to make impact, broader impact of the models we already have.

I am a trustee of a national association called the Council for the Advancement of Experimental Learning. Its members include 400 colleges and universities that purport to be seriously concerned with adult learners. But not very many faculty in those institu-

tions and not very many learners in those institutions are much affected.

I think we know how to make them more effective, but we have to have impetus from the Federal Government to help us out.

And in title X, we obviously will have to have a few more innovations down the road if we are going to make the kind of quality that Bill Bennett talks about in his report, and the kind of quality that the Association of American Colleges talks about.

The last comment I want to make is this. I just came back from Washington. I sat listening to the new Secretary of Education, and I probably have not been so angry, and so moved to get myself busy again in years and years. The only phrase I can think of for what seems to be coming from the administration toward students and faculty in institutions that are trying to make a difference in this country, is "arrogant disdain." We have got to do something about that, and the time to do it is in the reauthorization of the Higher Education Act.

Thank you.

[The prepared statement by Dr. Lindquist follows:]

GODDARD COLLEGE · PLAINFIELD · VERMONT 05667
Office of the President

February 12, 1985

Testimony to:

The Honorable Robert T. Stafford
and the Honorable James M. Jeffords

RE: Titles I, III, and X of the Higher Education Act

American democracies most basic value is equality of opportunity for every citizen. Amidst the great complexity and intense international competition of contemporary life, our very security as a democratic nation depends on the level of intellectual and ethical development that makes effective higher education not a luxury for the few but the necessity of everyone.

Creating the world's first Lifelong Learning Society is our future's first defense. But it has not yet been achieved. Adult illiteracy remains a national scandal. Recent national reports, including the one authored by the new Secretary of Education, William Bennett, find the same lack of excitement and challenge in colleges that earlier reports found in schools. The system still hampers the opportunities for, if not the access to higher education, of adults, women, people of color, and the physically different.

But should the attainment of equality of higher education opportunity, and vigor in learning experience, remain a national agenda in this period of soaring deficit and serious questioning about just what the business of Federal government should be?

Absolutely. What could be a more national agenda than insuring that the United States is the world's leader in educational attainment of all its citizens? What is more responsible than those national leaders pointing a critical finger at the Higher Education Committee's national recources to improving it? What is more wasteful than state by state educational innovation without the greater visibility and stimulus, at far less taxpayer cost, of nationally supported projects? And how is anything to be done in independent colleges if, as the President's budget proposes, both federal and donor support are drastically curtailed?

Now then, if improving ;her education for everyone is, at least in part, a national goal deserving federal support, what is the implication for Titles I, III, and X of the Higher Educa-

tion Act? These are the sections dedicated precisely to this purpose. Title I's aim is lifelong adult learning. Title III's concern is strengthening the capacities of colleges especially dedicated to equality of opportunity. And Title X, the Fund for the Improvement of Postsecondary Education is dedicated to all these students, with the emphasis on cutting edge innovations that bring every citizen to the independence of mind and cooperation of spirit crucial to this nations' future. These goals, either in these or modestly altered Titles, should hold prominence in the reauthorized Higher Education Act. We do recommend three revisions:

1) The Title I goal of adult learning should be focused not on new program models, for there now are plenty, but on increased use of what is already known about how to teach adults at whatever level of development they are, wherever they are located. The purpose is to create the Lifelong Learning Society. The highly successful Fund for the Improvement of Postsecondary Education agency model should be used for this "dissemination and utilization" purpose, either in a reorganized Title I agency or as a second division of the Fund itself.

2) Title III must be modified to avoid institutional dependency on it, yet to permit short-term, sharply targeted capacity-building to better serve neglected students. One way to do both is to require a two-year hiatus between Title III grants that themselves are limited in duration (say, a three-year maximum). Another is to establish a stable Title III staff sufficient in number and expertise to manage this program effectively. A third is to reduce the minimum institutional match in the Endowment Program to levels that unendowed schools can attain.

3) Title X, the Fund, is doing just fine as it is--perhaps the most widely lauded program in the Higher Education Act. Its problem is chronic underfunding. The national agenda for postsecondary education's improvement cannot be met on the real dollar level that results from the 50% cut that has taken place during the Fund's decade-plus of existence.

And what about funding level? Freeze the overall funding level of these Titles, for the national deficit would be almost as sad a legacy for future generations as would be abandonment of federal commitments to education. But within the current funding levels, strengthen Title X to twenty million dollars, and put twenty million dollars also behind the Title I, Lifelong Learning Society, objectives. This strengthening becomes possible within current dollar amounts because of firm steps to end institutional dependency on Title III, some of which are proposed here and some already taken. Once again, the total dollar amount for the combination of Titles I, III, and X should remain at current levels.

By these relatively minor changes, our national effort to develop the world's most educated democracy can move forward even as we practice frugality in federal spending.

Respectfully submitted,

Jack Lindquist
President

Senator STAFFORD. Thank you very much.

Could you tell the committee, the joint committees, how many institutions in Vermont have received FIPSE grants in the last 5 years?

Dr. LINDQUIST. I was sitting over there wondering about that, and I am not sure I do know. Goddard has had a grant, obviously the Community College of Vermont was built on a grant. Burlington College has had a grant. Who else has had a grant that is in this room?

Senator STAFFORD. Would you be willing to see if you can accumulate that knowledge, and supply it to the committee?

Dr. LINDQUIST. Certainly.

Senator STAFFORD. I am sure we would appreciate it very much, indeed.

And we congratulate you on the handling of Goddard College, and thank you for being here today.

Jim?

Mr. JEFFORDS. I certainly join in those remarks. Having worked with Goddard, for various reasons, I certainly appreciate the results. It made our efforts worthwhile through the years.

I am a little curious about title I needing more emphasis on implementation and further innovation. I tend to agree with you the question is whose role is it to implement, once you have found out what good the programs will do. Is that a problem getting that information out, and/or how do we implement those programs?

Dr. LINDQUIST. For a couple of years the Kellogg Foundation asked me to consult with it regarding dissemination and use of model programs, and they poured millions and millions of into it, and I gave seminars to the staff. I was trying to get them to think what it means to move from funding a model program to getting it used.

And the only thing that I could come up that was simple enough was this. The problem with model programs is the problem of the better mousetrap. Having one does not mean everybody is going to beat a path to your door. There is a process and a skill in helping to get people to the door, and indeed, helping that mousetrap get adapted to the local circumstances of the institution, once they use it.

That process needs to be supported, it does not happen naturally, or we would have those innovations in place, and the Kellogg Foundation would not have wasted all that money on me. So the job we see is to have the Federal sector indeed innovate in how to support moving from a model to increasing the impact (which happens to be the name of a book I wrote) increasing the impact of the innovations that we find so exciting in adult learning and lifelong continuing education now, some of that stuff.

Mr. JEFFORDS. Should we have wording in title I suggesting that emphasis is necessary, or is it properly drafted now to improve the implementation?

Dr. LINDQUIST. We have in our recommendations some suggestions about that. It is going to have to be very carefully put, or it is going to be misunderstood. We do not really know much about how to support that step beyond funding the model.

And you see, the fund is wonderful at the front end, stimulating those innovations, and getting those innovators perked up and going at it. That is not the job. It is the job of taking it the next step, of plugging it into that institution.

Mr. JEFFORDS. That is a big problem all across the educational field. Take the Job Training Partnership Act. We spent billions of dollars on title IV CETA, developing very wonderful programs, and then we came through the Job Training Partnership Act, but there is no way to use that information. We have a hard time getting people to even understand what the programs that we had, which were so successful.

Dr. LINDQUIST. That is exactly right.

Thank you.

Mr. JEFFORDS. You are welcome.

Senator STAFFORD. Thank you, Dr. Lindquist.

The last witness is going to be Mr. Ron Stephens this afternoon, who is executive director, Vermont School Boards Association, and he will be speaking not only for the School Boards Association, but for the Vermont Headmasters Association and the Vermont Superintendents' Association.

Mr. Stephens, before you proceed, the Chair would point out that this joint meeting of the two committees will be recessed after Mr. Stephens is through, and to prove that in this instance or this essence, we are playing both sides of the street. Tomorrow we are going to meet across the street in the Ramada Inn. This shows we are even culinary neutral, I guess. [Laughter.]

The meeting having been recessed, will resume at 10 o'clock, at the Ramada Inn, and I am told we will have a somewhat larger room available to us over there.

Ron, you are on.

STATEMENT OF RON STEPHENS, EXECUTIVE DIRECTOR, VERMONT SCHOOL BOARDS ASSOCIATION, SPEAKING ON BEHALF OF THE VERMONT SCHOOL BOARDS ASSOCIATION, VERMONT HEADMASTERS ASSOCIATION AND VERMONT SUPERINTENDENTS' ASSOCIATION

Dr. STEPHENS. I appreciate the opportunity to speak to you, Senator, and you, Representative Jeffords. I will make my comments brief and to the point. I know you had a long day.

I would like to think that you saved the best for last, but that remains to be seen.

Today I bring to you the concerns regarding Federal student aid shared by school boards, superintendents and principles—the members of the education management team.

Federal student loan assistance has been the primary vehicle for opening the doors to a higher education for our graduates. We in Vermont have long recognized that our most important resource is our people. Recent comparisons between 22 States indicate that Vermont graduates scored second in SAT scores. We ranked fifth in the Nation in 1983 with an 85 percent high school graduation rate, and 11th among the 50 States in 1980 with a median adult education of 12.6 years. Yet, the per capita income in 1983 was $9,979, or 37th among the States, and in 1980, 13 percent of Ver-

mont children were from homes at or below the Federal poverty level—29th among the States.

These statistics have a bearing on Federal student loan assistance. First, Vermont is not a rich State. Second, our children have abilities, and our public elementary and secondary schools do a tremendous job of educating them.

Third, if our children are to be able to compete, they must have access to a postsecondary education on an equal footing with children from other States. Federal student loan assistance assures this, because it allows children who could not or would not otherwise be able to afford a college education to get financial assistance.

Higher education costs continue to soar. The bite is felt by both low and median income families. If we are to maintain access to higher education on the basis of ability, rather than family net worth, then we must also maintain current Federal student loan assistance levels.

And there is the rub. Function 500 for education in the Federal budget has an upper lid. Student loan assistance is an entitlement and is, therefore, funded off the top. That seems to mean that more Federal dollars for higher education in student loan assistance, for example, will result in less Federal dollars for K-12 schools. The elementary and secondary education community resists cuts in support for higher education for the benefit of K-12 schools.

But we also resist cuts that would be sustained in K-12 programs in order to support higher education student loans within Function 500—within that lid. Both results are insupportable, from our perspective. We believe that the current levels of support should be maintained for all of education, and we urge you, Senator Stafford and Representative Jeffords, to support this.

Thank you for the opportunity to present these concerns to you. In addition to this testimony I have included a brief written statement of our other Federal concerns, which are not directly related to Federal student loan assistance.

Senator STAFFORD. Without objection, and I know of no one here to object, we will place them in the record. We appreciate your being here, and we will say that certainly this Senator believes that the way to go this year is level funding for all educational programs, and I am hopeful and rather optimistic that that may be the position that the Senate Republican leadership will take, and I am sure that Congressman Jeffords will help lead the fight to do the same thing over in the House.

[The prepared statement of Mr. Stephens follows:]

EDUCATION MANAGEMENT TEAM
FEDERAL BUDGET CONCERNS
Thursday, February 14, 1985
Holiday Inn, Burlington

TO: Senator Stafford, Representative Jeffords
FROM: Vermont School Boards Association
Vermont Superintendents Association
Vermont Headmasters Association

My name is Ron Stephens and I am the Executive Director of the Vermont School Boards Association. Today, I am bringing to you the concerns regarding federal student aid shared by school boards, superintendents and principals--the members of the Education Management Team.

Federal student loan assistance has been the primary vehicle for opening the doors to a higher education for our graduates. We in Vermont have long recognized that our most important resource is our people. Recent comparisons between 22 states indicate that Vermont graduates scored second in SAT scores. We rank fifth in the nation in 1983 with an 85% high school graduation rate and eleventh among the 50 states in 1980 with a median adult education of 12.6 years. Yet, the per capita income in 1983 was $9,979 or 37th among the states and in 1980, 13% of Vermont children were from homes at or below the federal poverty level--29th among the states.

These statistics have a bearing on federal student loan assistance. First, Vermont is not a "rich" state. Second, our children have abilities and our public elementary and

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secondary schools do a tremendous job educating them. Third, if our children are to be able to compete, they must have access to postsecondary education on an equal footing with children from other states. Federal student loan assistance assures this because it allows children who wouldn't otherwise be able to afford a college education to get financial assistance.

Higher education costs continue to soar. The "bite" is felt by both low and middle income families. If we are to maintain access to higher education on the basis of ability, rather than family net worth, then we must also maintain current federal student loan assistance levels.

And there's the rub. Function 500 for education in the federal budget has an upper lid. Student loan assistance is an entitlement and is, therefore, funded off the top. That means that more federal dollars for higher education in student loan assistance, for example, will result in less federal dollars for K-12 schools. The elementary and secondary education community resists cuts in support for higher education for the benefit of K-12 schools. But, we also resist cuts that would be sustained in K-12 programs in order to support higher education student loans within the function 500 appropriations lid. Both results are insupportable. We believe that current levels of support should be maintained for all of education and we urge you,

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Senator Stafford and Representative Jeffords, to support this.

Thank you for the opportunity to present these concerns to you. In addition to this testimony, I have included a brief written statement of our other federal budget concerns.

ADDED BUDGET CONCERNS

1. It is crucial that the Food and Nutrition Act be reauthorized. Increasing family income eligibility requirements as a means of reducing subsidies for hot lunch in unconscionable. Proper nutrition is an absolute prerequisite to effective teaching in the classroom--hungry children make poor students.

2. Cuts in math and science assistance are less likely to affect Vermont because we are a small state and are guaranteed minimum "floor" funds. Nevertheless, cutting federal aid in this area doesn't make sense when the various national reports agree that math and science are critical areas where there is a shortage of qualified teachers.

3. Reductions in compensatory education for handicapped and migrant student programs under PL89-313 will shift increased costs to state and local governments. Both are already hard-pressed to do an adequate job with special needs students. If the federal government is serious in its desire to provide equal educational opportunities to children, then it has a duty to back civil rights mandates with adequate funds.

Mr. JEFFORDS. Or better. [Laughter.]

Senator STAFFORD. It is always dangerous to give you the last word. [Laughter.]

Thank you very much, Mr. Stephens, and it——

Mr. JEFFORDS. Let me——

Senator STAFFORD. Sure, go ahead.

Mr. JEFFORDS. I just wanted to say a couple of things.

I am deeply concerned about the fate of education. I think it is important to take a look at what was suggested in the tax reform package, and I would hope that all educators, especially those that are involved in primary and secondary fields, would realize what could happen in other areas.

For instance, if we were to do away with revenue sharing, and do away with a reduction of property taxes on income tax returns, as well as State taxes and other things that are in those areas, what would the full impact be on the ability of communities, to fund education.

If you combine that with cutbacks in primary and secondary education at the Federal level, as well as the increasing demands on Public Law 94-142, not to mention the need for movement into technological educational fields, and computers, and so forth. We are heading for serious trouble. I hope that someone would put all those things together for me. What is going to happen to education in Vermont, or around the country if we don't look at the overall picture so that we could understand its full impact.

Dr. STEPHENS. I am not equipped to present that whole picture, but at least I would offer two brief comments.

One is that I think that school board members being locally elected public officials, are fiscally accountable, and they fully acknowledge and realize that you cannot have expenditures without adequate revenue. They are sensitive to that, they are not just there with their hands out.

The second comment I would offer is that in light of other cuts—potentially revenue sharing, across the board kind of cuts—your deep concern is shared, because I think in a brief statement the result would be cost shifting back to State and local units of government. And we in Vermont are more than well aware of how much of a burden we presently bear.

Mr. JEFFORDS. I just want to go back to where I started off today, and that is to understand that we have to make sure that we do not allow the administration to phrase the questions the way they want it. We have got to phrase it from perhaps a different perspective.

If we look at and say that revenue raising is off the table, cutting defense, even increases in defense, is not to be considered, and obviously we cannot do anything about the interest on the debt, and therefore all of the budget saving, to save the country, or however you want to phrase it, to get rid of that $200 billion deficit, has got to come out of what is left over. Especially if you take Social Security off the table, also.

You know, if you allow that question to be phrased that way, wow—you know, and you say the only answer is that you have to do away with all of these programs. And we just cannot let it be

phrased that way. And I think the Senator is indicating that the approach has to be at least at this point, especially while we set out priorities, is to low fund everything, and then see where we are, rather than get stampeded into doing something under the $200 billion hammer that may irreparably harm some very fundamental and necessary institutions in this country.

Dr. STEPHENS. That approach is a ray of sunshine in a bleak, bleak day. [Laughter.]

Mr. JEFFORDS. Thank you.

[Additional information supplied for the record follows:]

The University of Vermont
OFFICE OF THE VICE PRESIDENT FOR ACADEMIC AFFAIRS
WATERMAN BUILDING, BURLINGTON, VERMONT 05405-0160

RECEIVED
FEB 26 1985
WASHINGTON OFFICE
CONG. JEFFORDS

February 21, 1985

Congressman James M. Jeffords
House of Representatives
1510 Longworth House Office Building
Washington, DC 20515

Dear Congressman Jeffords:

I am enclosing a copy of the graduate enrollment figures that you requested of the Thursday, February 14 Hearing. These figures as reported by the Vermont Higher Education Planning Commission are the most accurate and up-to-date figures available. I will send copies of the Fall 1984 figures when they become available in April.

I am also enclosing some data supplied by Dr. Lawson, Dean of the Graduate College here at the University of Vermont. These numbers do not include any students from the UVM Medical School.

Thank you for the opportunity to present information to your committee.

Sincerely,

Kenneth N. Fishell
Associate Vice President
for Academic Affairs

KNF/cac-h

Enclosures

An Equal Opportunity / Affirmative Action Employer

ENROLLMENT IN HIGHER EDUCATION

FALL 1983

Vermont Data Report

VERMONT HIGHER EDUCATION PLANNING COMMISSION
State of Vermont
Pavilion Office Building
Montpelier, Vermont 05602

APRIL 1984

Table 6. VERMONT CLASSIFIED POST-BACCALAUREATE ENROLLMENT, FALL 1983

Head Count Enrollment by In-State / Out-of-State, Full-Time and Part-Time

Institution	Vermont Residents			Out-of-State Residents			TOTAL		
PUBLIC INSTITUTIONS	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total
Castleton State College	8	61	69	3	25	28	11	86	97
Johnson State College	26	76	102	13	6	19	39	82	121
Lyndon State College	0	37	37	0	1	1	0	38	38
University of Vermont	264	436	700	506	157	663	770	593	1,363
PUBLIC TOTALS	298	610	908	522	189	711	820	799	1,619
INDEPENDENT INSTITUTIONS									
Bennington College	0	0	0	6	0	6	6	0	6
College of St. Joseph the Provider	0	15	15	0	6	6	0	21	21
Goddard College	20	0	20	52	0	52	72	0	72
Middlebury College	0	2	2	0	0	0	0	2	2
Norwich University	3	2	5	9	0	9	12	2	14
St. Michael's College	25	214	239	18	7	25	43	221	264
School for Inter. Training	7	8	15	145	189	334	152	197	349
Vermont College	26	0	26	218	0	218	244	0	244
Vermont Law School	No data received								
INDEPENDENT TOTALS	81	241	322	448	202	650	529	443	972
TOTAL, ALL INSTITUTIONS	379	851	1,230	970	391	1,361	1,349	1,242	2,591

Source: 1983 Vermont Supplemental Enrollment Survey

RECEIVED FEB 17 1985

GRADUATE COLLEGE APPLICATIONS*

	For 1982-83	For 1983-84	For 1984-85
Total	1527	1529	1526
Acceptances	694	816	785
Acceptances / Applications	0.45	0.53	0.52
New Enrolled / Total Acceptances	0.68	0.58	0.60
Women	717	762	759
Men	810	767	742
Master's Programs	988	1067	1021
Doctoral Programs	539	462	484
Minorities	28	43	59
International	108	130	117
In-State	462	432	458
Out-of-State (including International)	1058	1094	1052

Total applications received for 1980-81: 1603
1981-82: 1479
1982-83: 1527
1983-84: 1529
1984-85: 1526

GRADUATE COLLEGE ENROLLMENT*

	Fall 1982	Fall 1983	Fall 1984
Total	1022	1026	1066
New Students (included in total)	386	409	400
Continuing Students (included in total)	636	617	666
Women	490	499	541
Men	532	527	525
Masters Program	804	790	822
Doctoral Program	218	236	245
Minorities	18	25	33
International	44	50	60
Regional (NEBHE)	19	18	16

*Head Count

11/26/84

GRADUATE COLLEGE APPLICATION, ACCEPTANCE AND ENROLLMENT DATA, 1980 - 1984

APPLICATIONS BY DEGREE OBJECTIVE

FALL	M.A.	M.S.	M.B.A.	M.P.A.	M.ED.	OTHER MASTERS	ED.D.	TOTAL PH.D.	PH.D. PSYCHOLOGY ONLY	PH.D. TOTAL NON-PSYCHOLOGY
1980	61	511	85	--	315	15	--	616	472	144
1981	56	497	92	--	281	16	--	537	407	130
1982	41	595	102	--	239	11	44	495	348	147
1983	62	645	109	--	253	17	34	429	265	164
1984	64	609	81	13	255	18	31	455	295	160

ACCEPTANCES BY DEGREE OBJECTIVE

1980	39	308	46	--	176	11	--	91	37	54
1981	40	291	50	--	203	12	--	104	35	69
1982	30	356	48	--	143	11	20	88	19	69
1983	48	365	60	--	184	15	21	129	43	86
1984	56	357	43	13	194	15	21	104	34	70

FIRST TIME ENROLLMENT BY DEGREE OBJECTIVE (FROM SUMMER & FALL)

1980	20	136	17	--	133	7	--	47	22	25
1981	16	162	29	--	137	7	--	41	12	29
1982	13	196	22	--	89	7	20	39	18	21
1983	18	191	33	--	91	4	20	53	15	38
1984	23	178	21	12	99	8	16	42	15	27

TOTAL ENROLLMENT BY DEGREE OBJECTIVE

1980	65	342	40	--	345	17	--	175	74	101
1981	51	392	59	--	305	17	--	198	73	125
1982	41	474	68	--	204	17	20	198	83	115
1983	49	464	76	--	192	9	37	199	79	120
1984	56	478	58	13	204	13	47	197	75	122

ACCEPTANCES/APPLICATIONS BY DEGREE OBJECTIVE

1980	0.64	0.60	0.54	--	0.56	0.73	--	0.15	0.08	0.38
1981	0.71	0.59	0.54	--	0.72	0.75	--	0.19	0.09	0.53
1982	0.73	0.60	0.47	--	0.60	1.00	0.45	0.18	0.05	0.50
1983	0.77	0.57	0.55	--	0.73	0.88	0.62	0.30	0.16	0.52
1984	0.88	0.59	0.53	1.00	0.76	0.83	0.68	0.23	0.12	0.44

YIELD -- (FIRST TIME ENROLLMENT/ACCEPTANCES) BY DEGREE OBJECTIVE

1980	0.51	0.44	0.37	--	0.76	0.64	--	0.52	0.59	0.46
1981	0.40	0.56	0.58	--	0.67	0.58	--	0.39	0.34	0.42
1982	0.43	0.55	0.46	--	0.62	0.64	1.00	0.44	0.95	0.30
1983	0.36	0.52	0.55	--	0.49	0.27	0.95	0.41	0.35	0.44
1984	0.41	0.50	0.49	0.92	0.51	0.53	0.76	0.40	0.44	0.39

11/26/84

Senator STAFFORD. Well, thank you very much, Dr. Stephens.

Let the record show, and we are gratified that it does, that at least seven college presidents have been in attendance here this afternoon, which I think is indicative of the interest in this State of ours, in the role of higher education, in this State and in this Nation.

On that note we will——

Mr. JEFFORDS. Let me add just one thing.

Senator STAFFORD. Yes.

Mr. JEFFORDS. I think again the last word——

[Laughter.]

Senator STAFFORD. Do not be sure about the last word. [Laughter.]

Mr. JEFFORDS. That is your prerogative. But what I did want to say was that you are to be commended for having seven college presidents on, and ending on schedule. [Laughter.]

Senator STAFFORD. Well, thank you all for being here, and we are in recess until 10 tomorrow, across the street at the Ramada Inn.

Thank you very much.

[Whereupon, at 4:20 p.m., the subcommittees recessed, to reconvene at 10 a.m., Friday, February 15, 1985.]

REAUTHORIZATION OF THE HIGHER EDUCATION ACT, 1985

FRIDAY, FEBRUARY 15, 1985

U.S. SENATE, SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES, COMMITTEE ON LABOR AND HUMAN RESOURCES, AND THE HOUSE OF REPRESENTATIVES SUBCOMMITTEE ON POSTSECONDARY EDUCATION, COMMITTEE ON EDUCATION AND LABOR,

Burlington, VT.

The joint subcommittees met, pursuant to recess, at 10:10 a.m., in the Ramada Inn, South Burlington, VT, Senator Robert T. Stafford, chairman, presiding.

Present: Senator Stafford and Representative Jeffords.

OPENING STATEMENT OF SENATOR STAFFORD

Senator STAFFORD. The joint hearing of the Senate Subcommittee on Education, Arts and Humanities and the House Committee on Education and Labor, which was recessed yesterday afternoon, will please come to order.

I want to welcome all of you to this, the second day of hearings by our two committees, on the reauthorization of the Higher Education Act.

Yesterday we heard from many distinguished Vermonters about the importance Vermont colleges and universities place on the numerous titles contained in the Higher Education Act. Today we will focus our attention on the human dimension, financial aid. We will meet students and parents who can best tell us what Federal assistance has meant to them, and what a decrease in aid would mean to their plans for higher education in the future.

I do not think I can say too often that the administration's plan to drastically reduce financial aid programs is wrongheaded. [Applause.]

And in my opinion, doomed to defeat. As I have said repeatedly, since the proposal was announced, I am extremely concerned about the confusion this proposal has caused among students and their parents, many of whom have seen the Guaranteed Student Loan Program amended five times in the last 6 years.

In 1981, the Congress cut the Guaranteed Student Loan Program significantly, resulting in a savings of almost $4 billion since that time. The savings in fiscal year 1986 alone, as a result of that change, will be an additional $1.5 billion. For that reason, the Congress has soundly defeated every effort since then to cut the pro-

gram further. It is the only one that provides assistance to our middle income families.

I can assure you that I, Congressman Jeffords, and other Members of the House and Senate will do all we can to oppose administration efforts to reduce student financial aid, and guarantee that that aid will be available to students when they go to college this year, and in the years beyond.

I look forward this morning to hearing from everyone, who is scheduled today.

Congressman Jeffords, do you have an opening statement?

Mr. JEFFORDS. Thank you very much, Senator.

Yes, I do, a brief one.

As I did yesterday, I would like to try and focus attention on the issue at hand. There is an attempt, especially by the administration, to put this all into a necessary budget cutting situation. We are dealing with the basic question of what the Federal role should be in funding higher education. That is, whether or not it is appropriate and proper for the Federal Government to try and provide access to young Americans to a broad range of colleges not just what we would refer to as a low-cost public State university.

I say that because one of the parts of their program is to cap available aid at $4,000 per student, which is about $900 less than the average cost of colleges, State colleges, and certainly in our area of the country, much less than what would be required.

It is not a budget question, because the role of Federal Government in education is what is being raised here. It is not a budget question, although we do have a $200 billion budget problem of deficits. It is not, in that sense, because it says that we should not do anything about the reasons that we have created the deficits; such as revenue loss, and huge increases in defense spending. We take those off the table, and we focus on certain social programs which are to be demolished or eliminated. That is not necessarily the way we have to phrase the question.

In addition to that, I think because of these pressures it is important to us, as we look forward, not only to think in terms of reauthorization of the Higher Education Act, but for future generations to establish, once and for all, guidelines as to what the expectations are of parents in funding their education. This is especially a valid question, since we are also looking at tax reforms.

What is the role of the State in providing higher education, and what is the role of the Federal Government? I hope we can, as time permits, focus on those broader, long-term questions, as well as fight the initial problem we have now—what the Federal role ought to be at this time.

Thank you, Mr. Chairman.

Senator STAFFORD. Thank you very much, Jim.

As we begin with the witnesses this morning, there will be an introduction by Sister Janice Ryan, who is president of Trinity College, and chairperson of Title IV Subcommittee, Vermont Higher Education Council, and one of the spark plugs in helping us arrange these meetings.

Sister Janice?

STATEMENT OF SISTER JANICE RYAN, PRESIDENT, TRINITY COLLEGE, BURLINGTON, VT, AND CHAIRPERSON, TITLE IV SUBCOMMITTEE, VERMONT HIGHER EDUCATION COUNCIL

Sister RYAN. Thank you, Senator, and thank you, Representative James Jeffords.

It is a pleasure and a privilege for us to be here this morning. The president of the Vermont Higher Education Council, Steward LaCasce, asked me, on his behalf this morning, to tell you that this process, we are looking at a law, a Federal law—that is already in effect—called the Higher Education Act. We were very fortunate in this State to have been asked by our congressional delegation, and specifically Senator Stafford, through the Vermont university and college presidents, to take a look at how this piece of legislation has worked over the several years and to give advice and recommendations from the Vermont perspective.

We have been doing that for the past year. This act has 10 titles to it, and one of those titles is something that is very close to you, student aid. And our day is going to be spent responding to this invitation, how has the act worked, and specifically, how has it worked in Vermont?

Senator, and Representative Jeffords, we took that task very seriously, and on the student aid section we organized ourselves as follows: We went to the people that knew, so being the smart presidents that we are, we went to our very able and competent directors of financial aid, and as you know, they have a very strong State association, and we think that we are particularly unique in Vermont because we get along with our differences.

This association of financial aid directors represents the public and the independent institutions of higher education. They have spent many, many hours, and have had four full meetings to discuss their findings. All the presidents, many of whom are in the front row, on your right, are prepared to nod their heads that we are in agreement. [Laughter.]

Senator STAFFORD. Thank you.

Sister RYAN. The seating arrangement is not coincidental, we are demonstrating our concensus because on your left we have the financial aid directors, along with the very important staff from the Vermont Student Assistance Corp. The results of their hard work is in the brown book, and in our particular title we have basically said that stability and consistency are the important points and we also said that we needed some increased flexibility in administration. Also we started a need to take a hard look at what has happened to the real cost of education and the funding in student aid. We have said we are opposed to block grants, and we have made some technical recommendations for making title IV work better.

We decided, for purposes of today, that the people who ought to tell the story are the consumers, the consumer represenatives and the people on the front line, the Vermont Student Assistance Corp. and the financial aid directors.

Jim Pollock from Green Mountain threatened to gavel me out, Senator, but I am reserving 1 minute for any time during the day that I may wish to use it. I will remain at this table throughout the

day, and at this point I think we would be most helpful by moving directly to the first witness.

Senator STAFFORD. Well, thank you very much, Sister Ryan. I cannot tell you how grateful we are, in both the House and the Senate, for all the help that you and the college presidents are giving us in the study that you have conducted with respect to the higher education program.

Mechanically, Sister Ryan, I believe you are going to help the Congressman and myself by serving as our timekeeper for witnesses?

Sister RYAN. That is correct.

Senator STAFFORD. And so that the witnesses will be on notice, the procedure we will be forced to follow because of the numbers who will testify is this. Sister Ryan will produce one loud tap, loud at least for the witnesses, when 4 minutes of the 5 are up, or whatever the time allocation is, 1 minute before it expires, and 2 taps when the time is all up, at which time our presiding officer will have to ask you to summarize and complete your testimony very speedily. So everybody is on notice as to that.

Now, in our committee hearings in Washington applause is not allowed. Nobody likes applause better than the Senator from Vermont, unless it is the Congressman. [Laughter.]

But in order to preserve the decorum that we insist on in Washington, as much as you may approve of what may be said by many of the witnesses, please restrain yourself until the meeting is officially over, at which time I will allow all the applause you want to give, for everybody.

And having said that, we will get right to the first witness, Ron Iverson, executive director, Vermont Student Assistance Corp.

Ron?

STATEMENT OF RONALD J. IVERSON, EXECUTIVE DIRECTOR, VERMONT STUDENT ASSISTANCE CORP.

Mr. IVERSON. Thank you, Senator Stafford and Congressman Jeffords.

It is a pleasure and honor to appear before you today. As requested, I will limit my remarks to providing you with a brief overview of the functions of the Vermont Student Assistance Corp., also known as VSAC. And if there are no objections, I would request the privilege of being able to submit to you additional written testimony regarding title IV.

Senator STAFFORD. Without objection, all text of speeches that exceed 5 minutes will be placed in the record as if read, so that your full testimony will appear on the record, where we in the Congress can examine it at our leisure.

Mr. JEFFORDS. Mr. Chairman, if I may add at this time, if there are other people in the audience who we will not be able to hear from today, and I am sure the same is true for the Senate, we, on the House side would like you to submit written testimony, and we will make that a part of the official record. It will also be reviewed. Therefore, I do not want anyone to leave here today who has a real desire to say something. Do not feel that they cannot participate at these hearings.

Senator STAFFORD. Ron, your time has not run yet, so you can start when Sister Ryan is ready to time you.

Mr. IVERSON. VSAC was created in 1965, by the Vermont General Assembly, as an instrumentality of the State. We are a public, nonprofit corporation with State oversight, and are governed by a publicly appointed board of directors. I believe the structure of VSAC has led to its success in that by being a public entity, our goals are focused on serving students, the delivery of financial aid programs, and services, while at the same time our policies are governed through public meetings and public scrutiny and input from consumers. We administer the following major programs.

The Vermont State incentive grant and scholarship program, which assists approximately 9,000 students, at a level of $8 million a year.

We also administer the Federal-State Student Incentive Grant Program, and it is ironical that this block grant program was established on a matching basis, is being eliminated in the President's recommendations, while at the same time he is proposing a new block program.

The Vermont secondary loan market is another major program which supports our Guaranteed Student Loan Program and our plus loan program.

In addition, we have a State-funded work study program to help students secure summer employment.

We have a math/science loan forgiveness program. Grant programs for unemployed Vermonters who are not enrolled in a degree program. And we also administer the college-based programs at four colleges in the State. And supporting all our financial aid programs are extensive counseling and outreach services.

The Guaranteed Student Loan Program this year will provide $25 million to approximately 11,000 Vermonters. I think I mentioned before that when Senator Stafford was Governor of the State, he was a very frugal Governor, and that the general fund for operating the State of Vermont at that time was also in the $25 million range. So you can see that the Guaranteed Student Loan Program has a tremendous impact on Vermonters' ability to attend school.

Let me just pause briefly to inform you that to date we have provided 85,000 students with $155 million in loans, and I am proud to say that 98 percent of these student borrowers have, or are meeting their repayment obligations. I think that is an outstanding figure for the young people of the State of Vermont.

We also noticed in recently published studies that it was evident those States with low-default rates were also public guarantee agencies. I am very concerned about mail order loans, and that private nonprofit national guarantors that are moving into States where public agencies already are providing services.

I hope that both committees will seek to curtail such activities during reauthorization, in order to provide the continued stability which is so necessary for these programs.

Vermont has also adopted the philosophy that loans, grants and scholarships are only beneficial if the citizens of the State are aware of such programs, and opportunities for postsecondary education. Therefore, our corporation provides extensive information

and counseling services throughout the State via our Outreach Programs; you will hear more later from Tim Wick, about this program during the TRIO testimony.

Overall, VSAC is a comprehensive State agency that coordinates and facilitates financial aid and informational programs. We work closely with all the colleges, and our outreach counselors coordinate their activities, not only with high school counselors, but also with elementary schools, we are into human service agencies, adult basic education, employment security, and so forth, and we coordinate considerable functions with our financial aid community.

In closing, I would like to share with you our initial estimates of the effects that the administration's proposals, and what they will have on Vermont students; 7,300 students, which would represent 67 percent of our Vermont student aid population, will lose their financial aid, or have their assistance reduced to the point where it will be financially impossible to meet college budgets. Student aid for these students would be reduced by 44 percent, which amounts to a $15.3 million loss for Vermont students.

Needless to say, policy changes of this magnitude would be devastating to the future of the United States, and I would like to thank you, Congressman Jeffords, for the strong stance that you have taken against these proposals, and to let you know we will do everything we can to assist you in this crucial matter.

Thank you.

[The prepared statement of Mr. Iverson follows:]

STATEMENT BY

RONALD J. IVERSON
EXECUTIVE DIRECTOR
VERMONT STUDENT ASSISTANCE CORPORATION

before the

Subcommittee on Education, Arts and the Humanities
Committee on Labor and Human Resources
U.S. Senate

and

Subcommittee on Postsecondary Education
Committee on Education and Labor
U.S. House of Representatives

February 15, 1985

Mr. Chairman and Members of the Committee, I am Ronald Iverson, Executive Director of Vermont Student Assistance Corporation. It is a pleasure and honor to appear before you today. As requested, my remarks will be limited to providing you with a brief overview of the functions of Vermont Student Assistance Corporation, also known as VSAC. If there are no objections, I would request the privilege of being able to submit to you additional written testimony regarding Title IV and Reauthorization.

VSAC was created in 1965, by the Vermont General Assembly, as an instrumentality of the state. We are a public, non-profit Corporation with state oversight and are governed by a publicly appointed board. I believe the structure of VSAC has led to its successes in that by being a public entity, our major goal focuses on serving students through the delivery of programs and services, and our policies are open to public scrutiny and input. We administer the following major programs.

1. Vermont's State Incentive Grant and Scholarship Programs
2. The Federal SSIG Program
3. The Guaranteed Student Loan and PLUS Programs
4. The Vermont Secondary Market for Student Loans
5. A State Funded Student Work-Study Program
6. A Math/Science Loan Forgiveness Program
7. Grant Programs for Unemployed Vermonters
8. Grants for Part-Time Students
9. Administration of the College-Based Programs at Four Colleges in the State
10. Information Counseling and Outreach Services

Our Grant, Loan and Outreach Programs comprise the major functions of the organization. This year, approximately 9,000 students will receive Incentive Grants, Scholarships and work opportunities as a result of a direct state

appropriation. The Guaranteed Student Loan Program provides 25 million dollars annually in new student loans. Let me pause briefly to inform you that to date we have provided 85,000 students with $155,000,000 in loans and 98% of the student borrowers have, or are meeting, their repayment obligations. I attribute part of our excellent repayment rate by students to the fact that we are a public guarantee agency concentrating on delivering services to Vermont residents and students studying in Vermont, rather than crisscrossing our services throughout the country by offering guarantees in other states. In recently published studies it was evident that those states with low default rates were also public guarantee agencies. I am very concerned about mail order loans and that private National guarantors are moving into states that have public agencies that are providing students with full access to credit. I hope both Committees will seek to curtail such activity during Reauthorization.

Vermont has adopted the philosophy that loans, grants and scholarships are only beneficial if the citizens of the state are aware of such programs and opportunities for postsecondary education. Therefore, our Corporation provides extensive information and counseling services through our Outreach Division. You will hear later from Timothy Wick who administers this program which also encompasses the Federal Talent Search Program; however, I would like to leave you with one piece of information as to its effectiveness. The continuation rate for postsecondary education by Vermont high school seniors hovers at the national average of 54%; however, 71% of the culturally and economically disadvantaged students who we are in contact with through our Outreach Program actually enroll in postsecondary education.

VSAC is a comprehensive state agency that coordinates and facilitates financial aid and informational programs. We work very closely with all the

colleges that our residents may be attending. In addition we have our Outreach Counselors, permanently living in eight regions of the state, coordinating services in both elementary and high schools, in Human Service Agencies such as Adult Basic Education, and Employment Security, and Social Welfare. We make many home visits to meet with parents, and we have an extensive Wats line system enabling people to communicate directly with us. Through cooperation with our college financial aid administrators, we put together a single financial application which allows the families one-stop shopping in order to apply for college aid, federal loans, Pell Grants, campus-based aid or state aid. In addition, we assist hundreds of parents in dealing with the central Pell Grant processor in order to resolve problems they encounter. To assure that our money is being awarded on accurate information, we verify all income information provided to us by students and parents through the Department of Taxes, and share this information with our colleges if there are discrepancies.

I believe there is a greater role all states can play in the coordination of financial aid services in order to improve and simplify the delivery of financial aid programs for students.

In closing I would like to share our initial estimate of the affects that the administration's proposals will have on Vermont students. Seven thousand three hundred students (7,300), or 67 percent of our Vermont student aid population, will lose their financial aid or have their assistance reduced to the point where it will be financially impossible to meet college budgets as student aid would be reduced by 44% which amounts to a $15.3 million reduction in aid for Vermonters. Policy changes of this magnitude will be devastating to the future of the United States, and I would like to thank you for taking a strong stance against these proposals and to let you know we will do everything we can to assist you in this crucial matter. Thank you.

Senator STAFFORD. Thank you very much, Mr. Iverson.

One thing particularly caught my eye here, along with the penalty that Vermont students would pay if these cuts, reductions, and/or caps occur, and that is the fact that Vermont students who have benefited from these loan programs have only apparently a 2-percent default rate.

I think that is remarkable, and even better than it was a few years ago.

Mr. IVERSON. That is true, Senator, and within that default rate we are also including death, disability, and a couple of our incarcerated students. [Laughter.]

Senator STAFFORD. Even so, that is a much better record of repayment, I believe, than even General Motors Acceptance Corp. enjoys when they sell Cadillac cars. And I congratulate the students for their sense of responsibility in returning the money, so that it can be recirculated to other students in the future.

Congressman Jeffords?

Mr. JEFFORDS. As I understand, the administration says that the State can pick that up. What is the likelihood for the State of Vermont to pick up what would be lost to the Federal Government?

Mr. IVERSON. I do not think there is any possibility, without a major tax increase, for the State of Vermont to be in a position to absorb $15 million in lost student aid, and that is only for the Vermont students, who are residents of Vermont.

I think you could also project that since the State of Vermont's enrollment is 50 percent out-of-State students, that those students who study in Vermont could lose approximately another $15 million in aid.

Mr. JEFFORDS. Do any other States, have the kind of programs we do, where they finance education?

Mr. IVERSON. Yes. As a result of passage of the State Student Incentive Grant Program which served as an incentive; there were matching dollars. All States now have State scholarship programs, and loan guarantee agencies.

Mr. JEFFORDS. Thank you.

Senator STAFFORD. Thank you very much, Mr. Iverson.

The next witnesses will be a guaranteed student loan panel, consisting of David Myette, financial aid director of Champlain College; Britta Anderson, director of Federal Affairs, Research and Planning, Vermont Student Assistance Corp.; John O'Brien, student, University of Vermont; Deborah Alicen, student, Goddard College; I will apologize en bloc for mispronounced names, Kathleen Goodrich, parent, Lyndon State College; Bernhardt Smyle, parent, Trinity College; and Susan Davis, Vermont Law School.

We have an allocation of half an hour here, and once again, we realize it may be difficult for you, but we will have to insist on your completing your statements in the allotted 30 minutes, so we might ignore being polite, and start with you, Mr. Myette, and just go from, as we look at you, from left to right. So Ms. Anderson will follow you.

Mr. Myette?

STATEMENTS OF DAVID B. MYETTE, FINANCIAL AID DIRECTOR, CHAMPLAIN COLLEGE, BURLINGTON, VT; BRITTA J. ANDERSON, DIRECTOR, FEDERAL AFFAIRS, RESEARCH AND PLANNING, VERMONT STUDENT ASSISTANCE CORP.; JOHN P. O'BRIEN, STUDENT, UNIVERSITY OF VERMONT; DEBORAH ALICEN, STUDENT, GODDARD COLLEGE, PLAINFIELD, VT; BERNHARDT A. SMYLE, TRINITY COLLEGE, BURLINGTON, VT; AND SUSAN DAVIS, VERMONT LAW SCHOOL

Mr. MYETTE. Senator Stafford and Congressman Jeffords, first of all, I would like to take this opportunity to thank you for holding the first hearing on the reauthorization of the Higher Education Act in the State of Vermont, and for giving the Vermont Association of Student Financial Aid Administrators the opportunity to present its recommendations.

Before I present the recommendations on the Guaranteed Student Loan Program, we believe that the key issue that should be stressed in the reauthorization of title IV is the need for stability, consistency, and flexibility of the student aid programs. The programs, in their present form work.

It is the opinion of VSAC that the efforts in reauthorization should focus on a continued improvlement in the delivery of student financial aid in their present form, coupled with increases in authorization levels, that would reflect increases in educational costs that have been incurred by students and their families.

Based on the assumption that the programs will continue in their present form, I would now like to outline some of the major improvements we would like to see in the Guaranteed Student Loan Program.

Because we believe that the delivery of the GSL Program is more effectively handled on the local level, we emphasize the strengthening of the State agency based guarantee. State agences are able to be more responsive to students, families, lenders, and local conditions.

We oppose the formation of a national student loan bank, and support the concept of lender of last resort on the State level.

We support the continuance of the $30,000 income cap, with periodic indexing for inflation. Coupled with this, we strongly recommend the creation of lookup tables for independent students with a family size greater than one, which would reflect a family contribution equal to that of the dependent model.

The Omnibus Budget Reconciliation Act of 1981 authorized banks to charge students a 5-percent origination fee in addition to the previously authorized 1 percent administration fee.

The purpose of the origination fee is to reduce the cost of the Guaranteed Student Loan Program to the Federal Government. We feel that this is an unjustifiable cost to the student, in which no amount of savings to the Federal Government can justify. We, therefore, strongly recommend the elimination of the fee.

We recommend the continuance of the 10-year repayment period, with the $50 minimum monthly payment for a cumulative Guaranteed Student Loan debt of $10,000 or less. For cumulative debt of over $10,000, we recommend the repayment period be extended by 1 year for each $1,000 of additional debt, with a maximum repay-

ment of 25 years. We feel that this would produce a more manageable repayment.

We are recommending a two-tier system of loan programs as follows:

A. Subsidized guaranteed student loans at 9 percent, with automatic eligibility under the $30,000 income cap, and for a remaining need over $30,000.

B. Nonsubsidized guaranteed student loans at 9 percent for those who do not qualify for the subsidized loans, with retention of the special allowance throughout the life of the loan, and allowance for accrual and capitalization of interest.

With regard to specific loan limits for undergraduate students, we are recommending an increase from $2,500 to $4,000 per year. This limit would increase to $5,000 over the next 4 years, in increments of $500 every 2 years. The aggregate borrowing limit would increase from the present $12,500 maximum to $20,000, with an eventual increase to $25,000, over 4 years.

For graduate students, we are recommending an increase from $5,000 to $10,000 per year, going to $12,000 over 4 years. The aggregate would increase from the present $25,000 to $50,000, with an eventual increase to $60,000 over 4 years.

If our recommendations for the loan limits are to work, loan consolidation is essential. We have supported, and continue to support the consolidation bill introduced by Senator Stafford. Pending the outcome of this legislation, it is important to stress the principles which we support in these reauthorization recommendations.

Any loan consolidation bill must be borrower-driven, and must include all title IV loan programs, with the exception of parent loans. All guaranteed student loan lenders must be allowed to consolidate, and eligibility should be based on the student's ability to pay.

The length of consolidation should be extended to 25 years to parallel with the maximum repayment period recommended, and we encourage consolidation on the State level, as opposed to a national entity, such as Sallie Mae.

Very briefly, these are the highlights of our recommendations, and I ask that our complete recommendations be included in the written testimony.

[The prepared statement of Mr. Myette follows:]

David B. Hyette
February 15, 1985

GUARANTEED STUDENT LOAN AND PLUS LOAN PROGRAMS

I. Access:

Because we believe that the delivery of the GSL program is more effectively handled on the local level, we emphasize the strengthening of the state agency based guarantee. State agencies are able to be more responsive to students, families, lenders, and local conditions.

We oppose the formation of a national student loan bank and support the concept of lender of last resort on the state level.

II. Needs Test and Need Eligibility:

We support the continuance of the $30,000 income cap with periodic indexing for inflation. Coupled with this, we strongly recommend the creation of look-up tables for independent students with a family size greater than one, which would reflect a family contribution equal to that of the dependent model.

III. Origination Fee:

The Omnibus Budget Reconciliation Act of 1981 authorized banks to charge students a 5 percent origination fee in addition to the previously authorized 1 percent administration fee. This fee is deducted from the student loan check at the time of disbursement, but payment of the entire amount borrowed is required at the time of repayment.

The purpose of the origination fee is to reduce the cost of the GSL program to the federal government. We feel that this is an unjustifiable cost to the student in which no amount of savings to the federal government can justify. We, therefore, strongly recommend the elimination of the fee.

IV. Repayment Periods and Repayment Options:

We recommend the continuance of the ten year repayment period with the $50 minimum monthly payment for a cumulative GSL debt of $10,000 or less. For cumulative debt of over $10,000, we recommend the repayment period be extended by one year for each $1,000 of additional debt with a maximum repayment of twenty-five years. We feel that this would produce a more manageable repayment. The table below outlines monthly repayments for different levels of borrowing.

Interest Rate	Months/Repayment	Amount Borrowed	Payment Per Month
8%	120	$10,000	$123.31
8%	180	15,000	143.35
8%	240	20,000	167.29
8%	300	25,000	192.95

We recommend increasing options for varied repayment plans, including encouragement of graduated repayments to provide flexible relief for overburdened borrowers.

We also recommend allowing up to 15 year repayment periods for Parent Loans above $15,000.

To address the need for lowering the cost to the federal government and at the same time making repayment manageable for borrowers, we recommend creating incentives for prepayment for borrowers who are able to do so. We would also recommend adjusting the length of the repayment period upward for those who are unable to meet payments. Coupled with these recommendations, we do not recommend the creation of floating interest rates in repayment, or multiple rates within loan categories. These features would increase the expense for borrowers and the cost of

administrating the program because of the complexities of such systems. It is likely that these charges would drive lenders out of the programs.

Before we get into this sensitive area of loan limits, it is important to express our concern with the increasing dependence on loans as the major resource available to needy students to fund their educational costs. During this reauthorization process, it is critical to keep in the forefront the need for substantial increases in grant assistance to couple the needed increases in loan limits. One without the other will result in loan burdens which students simply will not be able to handle. The end result will be increasing default rates at enormous costs to the federal government.

V. Loan Limits and Interests Rates:

We are recommending a two-tier system of loan programs as follows:

A. Subsidized GSLs at 9% with automatic eligibility under the $30,000 income cap, and for a remaining need over $30,000.

B. Non-subsidized GSLs at 9% for those who do not qualify for subsidized loans with retention of the special allowance throughout the life of the loan, and allowance for accrual and capitalization of the interest.

We recommend the elimination of the Auxiliary Loans To Assist Students (ALAS) program, with replacement by the non-subsidized GSL and the continuance of the PLUS program at 12%.

With regard to the specific loan limits, for undergraduate students we are recommending an increase from $2,500 to $4,000 per year. This limit would increase to $5,000 over the next four years in increments of $500 every two years. The aggregate borrowing limit would be increased from the present $12,500 maximum to $20,000 with an eventual increase to $25,000 over four years.

For graduate students, we are recommending an increase from $5,000 per year to $10,000 per year going to $12,000 over four years. The aggregate would increase from the present $25,000 to $50,000 with an eventual increase to $60,000 over four years.

VI. With regard to grace periods and deferments, this association recommends the following:

a. return the interim grace period to a length of nine months
b. reinstate the six month post-deferment grace periods for all loans
c. parallel the grace periods and deferments for all loans made to students
d. institute in-school deferments for half-time status
e. allow deferments on loans to parents for unemployment, temporary total disability, rehabilitation programs, and in-school status.

VII. If our recommendations for loan limits are to work, loan consolidation is essential. We have supported and continue to support the consolidation bill recently introduced by Senator Stafford. Pending the outcome of this legislation, it is important to stress the principles which we support in these reauthorization recommendations.

Any loan consolidation bill must be borrower driven and must include all Title IV loan programs, with the exception of parent loans. All GSL lenders must be allowed to consolidate, and eligibility should be based on the student's ability to pay.

The length of consolidation should be extended to twenty-five years to parallel with the maximum repayment period recommended, and we encourage consolidation on the state level as opposed to a national entity such as Sallie Mae.

VIII. Lender requirements:

No major changes are recommended in this area; however, the importance of maintaining the current rate of return to lenders in order to encourage their continued participation should be stressed.

IX. Sallie Mae (Student Loan Marketing Association):

We feel that the profitability and activities which Sallie Mae is involved with seriously extend the boundaries for which they were authorized. As a result of this concern, we are recommending that Sallie Mae be converted to a public non-profit charter with mandated congressional oversight. Its activities would be limited to

a. secondary market functions
b. warehousing functions
c. loan consolidation of last resort
d. limited participation as a provider of funds for state lenders.

Any profitibilty realized under the nonprofit charter would be used in the same manner as that outlined for state agencies or be returned to the treasury.

X. State Agencies and Guarantees:

We support the continuation of the decentralized state agency approach to program administration, and we encourage the expansion of state based, non-profit secondary market activities.

In addition, we strongly recommend that the same disclosure, debt counseling and due diligence requirements be applied to all loan guarantors, and we encourage the increase in and support of debt counseling services.

For those interested in a more detailed breakdown of the association's GSL and PLUS recommendations, the subcommittee's full report is available.

Senator STAFFORD. Without objection, they will be, as will everybody else's statement, which a witness is unable to complete in 5 minutes.

We want to thank you especially, Mr. Myette. We know you put a lot of time in on this, and we are very grateful to you.

Congressman Jeffords and I have agreed that we will wait for questions until we have completed the panel. But one matter came up in your testimony that I cannot resist straightening out now.

You said that you support the $30,000 income cap. I presume you meant income cap with a means test for a family with an income of over $30,000?

Mr. MYETTE. Yes.

Senator STAFFORD. I just wanted to make sure we understood each other.

Sister RYAN. Senator?

Senator STAFFORD. Yes?

Sister RYAN. I would like you to ask, to make sure they can hear in the back.

Senator STAFFORD. Can people hear in the back? I remember once I asked that question of an audience. I asked those in the back rows if they could hear, and if they could not, would they put up their hands. Three rows put up their hands in the front, and three rows got up and volunteered to change places with them. [Laughter.]

Ms. Anderson, you are next.

Ms. ANDERSON. Senator Stafford and Congressman Jeffords, I am Britta Anderson, director of Federal Affairs at the Vermont Stu-

dent Assistance Corp. I am very pleased to have the opportunity to testify on the reauthorization of the Guaranteed Student Loan Program.

This program is the cornerstone of Federal aid programs in this State. More than $51 million are provided annually to Vermonters and students studying in Vermont. This is approximately 42 percent of all tuition and fees revenues at Vermont institutions.

To put the program into even sharper perspective, it should be mentioned that the 11,000 loans going to Vermont students constitute 15 percent of all consumer loans in the State. Without access to this program, thousands of Vermonters would have to forgo a postsecondary education.

At a time when the program is besieged on all sides and faces virtual elimination if proposed changes were to be enacted, we will be bold enough to propose a number of changes which must occur in the program to ensure that the goal of equal access will be met.

First, we propose, in conjunction with VHEC, increasing the current loan limits. The rationale for this recommendation is simple. Since 1980 the cost of a postsecondary education has escalated rapidly. These cost increases have come at a time of actual decreases in many Federal aid programs.

Students at six Vermont institutions are either at or above the maximum borrowing limit of $2,500. Once a student reaches that maximum, no other resources are available other than PLUS loans, which often carry credit restrictions, and thus limit participation for low- and middle-income students.

Our second recommendation calls for extended repayment and loan consolidation. This will have the dual function of minimizing the possibility of default, as well as making more manageable the monthly payments for those students with high loan debts.

My third proposal addresses the role of the guarantee agencies and the State-based secondary markets. In the almost 10 years since the passage of the Education Amendments of 1976, the role of the guarantee agencies has expanded dramatically. This has been all to the good. Access has expanded as each State agency has encouraged increased lender participation.

However, on the downside, the expansionist effort of a few private national guarantors has created much confusion on the part of student borrowers, parents, lenders and college officials, who, because of national media enticements, may be led to believe that additional loan programs and funds exist, when in fact all guarantors offer their services under the auspices of the Federal Government.

We feel that the basic premise should be that in a publicly funded program, public, State-by-State oversight should exist.

In conjunction with this proposal, and in furtherance of the objective of a State-based decentralized loan program, we strongly urge that State secondary markets who are public nonprofit entities be allowed to serve as liquidity backup for their lenders through the use of tax-exempt public purpose bonds.

We will simply posit at this point that, in the spirit of encouraging less Federal interference in the actions of the States, we support any proposal which encourages the individual States to manage their programs and use their tax-exempt allocations in the manner which they deem to be in the best interest of their States.

My last proposal will revert to the main concern of the program, the borrower. In 1981 a proposal was enacted which limited eligibility for those with family incomes over $30,000, and left borrowing for those with incomes of less than that amount to cost minus aid.

We strongly oppose any substantive changes to this current scheme of things. In fact, the only technical change we recommend is an upward adjustment to the cap, to keep pace with inflation.

In closing, let me state that we feel strongly that as a Nation our priority should be on increasing educational opportunity, not decreasing it. The several States need to participate in this goal, but the ultimate responsibility for uniform access and opportunity rests with the Federal Government

The Guaranteed Student Loan Program is but a small part of the intricate network needed to accomplish this goal, but it is interesting to note that under the proposed 1986 budget research money for the star wars project would be increased by $2.3 billion, the identical amount recommended as a cutback for the postsecondary education programs.

Surely one must realize that no technological progress can be made unless there is an educated citizenry to draw from.

I thank you for your consideration and time and will be pleased to answer any questions you may have.

Senator STAFFORD. Thank you very much, Ms. Anderson.

[The prepared statement of Ms. Anderson follows:]

STATEMENT OF

BRITTA J. ANDERSON

Director,
Federal Affairs, Research and Planning
Vermont Student Assistance Corporation

before the

Subcommittee on Education, Arts and the Humanities
Committee on Labor and Human Resources
U.S. Senate

and

Subcommittee on Postsecondary Education
Committee on Education and Labor
U.S. House of Representatives

February 15, 1985

Mr. Chairman and Members of the Subcommittee, I am Britta Anderson, Director of Federal Affairs at the Vermont Student Assistance Corporation. I am very pleased to have the opportunity to testify on the Reauthorization of the Guaranteed Student Loan Program. I would like, at this point, to ask permission to expand my testimony by submitting additional comments in writing.

Since the last Reauthorization process took place, in 1980, the program has been subjected to numerous legislative changes, among them

. restrictions on eligibility for families with incomes over $30,000;

. the imposition of an origination fee;

. restrictions on tax-exempt funding for secondary markets;

just to name a few. These changes have caused uncertainty as to the availability of loan funds and confusion among students, parents and financial aid officials. Therefore, our general recommendation, which mirrors that of the Vermont Higher Education Council, will be to emphasize the need for stability in the program and, most importantly, the need to continue to ensure equal educational opportunity through assured access to necessary loan funds.

The Guaranteed Student Loan Program is the cornerstone of federal financial aid programs in this state. More than 51 million dollars are provided annually to Vermonters and students studying in Vermont. This is approximately 42% of all tuition and fees revenues at Vermont institutions. To put the program in even sharper perspective, it should be mentioned that the 11,000 loans going to Vermont students constitute 15% of all consumer loans in the state. Without access to this program thousands of Vermonters would have to forego a postsecondary education.

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At a time when the program is besieged on all sides and faces virtual elimination if proposed changes were to be enacted, we will be bold enough to propose a number of changes which must occur in the program to ensure that the goal of equal access will be met.

First, we propose, in conjunction with VHEC, increasing the current loan limits as well as the aggregate borrowing amounts to $4,000 per year with a $20,000 aggregate limit for undergraduates and $10,000 a year with a $50,000 aggregate limit for graduate students. The rationale for this recommendation is simple: Since 1980 the cost of a postsecondary education has escalated rapidly at both our public and private institutions (Appendix I). These cost increases have come at a time of actual decreases in federal aid programs other than Guaranteed Student Loans. Students at ten institutions in Vermont are required to borrow more than $2,000 in Guaranteed Student Loans (Appendix II), and students at six institutions are either at or above the maximum borrowing limit of $2,500. Once a student reaches that maximum, no other resources are available other than PLUS loans which often carry credit restrictions and thus limit participation for low and middle income students. We hope that students will not have to borrow to the limit, that Pell Grants and other forms of gift aid will be increased to cover a fair proportion of cost. However, the Guaranteed Student Loan funds must be available to cover any gap a prospective student may encounter and thus ensure access and choice.

Coupled with, and an integral part of, this proposal is our second recommendation which calls for extended repayment and loan consolidation. We cannot expect students to increase their loan burdens within the current repayment framework. Consequently, we advocate that payment be extended by one year for each $1,000 borrowed which exceeds $10,000. This will have the

dual function of minimizing the possibility of default as well as making more manageable the monthly payments for those students with high loan debts. In addition, borrowers must have a vehicle for consolidation of loans if they have dealt with multiple lenders or have NDSL loans. To accomplish this objective we support loan consolidation capabilities along the lines of the legislation introduced by Senator Stafford and others last year.

My third proposal addresses a couple of sensitive programmatic areas, namely the role of the guarantee agencies and the state-based secondary markets. In the almost ten years since the passage of the education amendments of 1976, the role of the guarantee agencies has expanded dramatically, completely replacing the now almost defunct FISL program. This has been all to the good: Access has expanded as each state agency has encouraged increased lender participation. However, on the down side the expansionist effort, under the guise of assured access, of a few national private guarantors has created much confusion on the part of the student borrowers, parents, lenders and college officials who because of national media enticements, may be led to believe that additional loan programs and funds exist when in fact all guarantors offer their services under the auspices of one program supported by the federal government. This confusion, with attendant cross-borrowing and possibility for fraud and abuse must be stemmed. We feel that the basic premise should be that in a publicly funded program, public, state-by-state, oversight should exist. In an era of increasing concern about defaults, attempts must be made to make borrowing responsible and subject to local oversight. This might be accomplished through limiting a student to one guarantor in their home state and mandating that all GSL borrowing be done through that entity for as long as the student needs loan funds. In our view

this will lead to prudent oversight of the expenditure of public funds. For those who decry such a proposal as limiting access, the answer would be that the federal government would ensure access by placing upon the states stringent requirements to ensure that all eligible students would be able to receive maximum benefits from the program.

In conjunction with this proposal and in furtherance of the objective of a state-based decentralized loan program, we strongly urge that state secondary markets who are public non-profit entities be allowed to support the continuation of private capital formation for the program by having the ability to serve as liquidity back-up for their lenders through the use of tax-exempt public purpose bonds. It is ironic that while "bricks and mortar" bonding is exempted from the 1984 Tax Reform Act state cap, student loan bonds which supply the capital for the students who will use the facilities of post-secondary institutions are not. One can scarcely think of a purpose more public and crucial than educating the citizens of our nation, yet because the funds go to persons rather than institutions, severe restrictions on their use have been implemented, both via the Tax Act and Department of Education regulations. We will simply posit at this point, that in the spirit of encouraging less federal interference in the actions of the states we support any proposal which encourages the individual states, to manage their programs and use their tax-exempt allocations in the manner which they deem to be in the best interest of their states.

My last proposal will revert to what should be and is the main concern of the program, i.e., the borrower. Over the years the Guaranteed Student Loan Program has fluctuated in its eligibility restrictions, finally settling down with a compromise in 1981 which limited eligibility for those with family

incomes over $30,000, and left borrowing for those with incomes of less than that amount to cost minus aid. We strongly oppose any substantive changes to this current scheme of things. In fact the only technical change we recommend is an upward adjustment to the cap to keep pace with inflation. Proposals are abounding calling for full needs tests and arbitrary cut-offs from eligibility. We are in the process of analyzing the impact of such proposals, and it is our estimate that the proposed changes would so adversely affect our Vermont students that a significant proportion would not be able to pursue their education.

In closing let me state that we feel strongly that as a nation our priority should be on increasing educational opportunity, not decreasing it. The several states need to participate in this goal, but the ultimate responsibility for uniform access and opportunity rests with the federal government. The Guaranteed Student Loan Program is but a small part of the intricate network needed to accomplish this goal, but it is an interesting corollary to note that under the proposed 1986 budget research money for the "Star Wars" project would be increased by $2.3 billion, the identical amount recommended as a cutback for aid to postsecondary education. Surely one must realize that no technological progress can be made unless there is an educated citizenry to draw from. I thank you for your consideration and time and will be pleased to answer any questions you may have.

APPENDIX I

AVERAGE STUDENT CHARGES* AT VERMONT INSTITUTIONS

FY80 - FY85

	Vermont Publics	Vermont Independents
FY80	$2,975	$5,205
FY81	3,400	5,898
FY82	3,908	6,681
FY83	4,358	7,407
FY84	4,685	7,986
FY85	5,017	8,541
5 Year Change	+ $2,042	+ $3,336

*Includes tuition, fees, room and board.

Source: VSAC Grant Files
Date Prepared: 12/84

APPENDIX II

AMOUNT STUDENTS NEED TO BORROW FROM GSL[1]

(1984-85)

Institution	Amount[2]
College of St. Joseph the Provider	$2,720
Norwich University/Vermont College	2,705
St. Michael's College	2,700
School for International Training	2,500
Trinity College	2,500
Champlain College	2,495
Bennington College	2,400
Woodbury Associates	2,220
Southern Vermont College	2,149
Marlboro College	2,066
Sterling College	1,783
Middlebury College	1,680
Green Mountain College	1,607
Lyndon State College	950
Vermont Technical College	900
University of Vermont	750
Castleton State College	716
Johnson State College	500

[1]Full-time dependent Vermont undergraduate degree students.

[2]As reported by Financial Aid Offices - 12/84.
Amount = Budget - VSAC, Federal Aid, Family Contribution and Other Aid NOT INCLUDING GUARANTEED STUDENT LOANS.

Senator STAFFORD. The next witness will be Mr. O'Brien, who is a student at the University of Vermont.

Mr. O'BRIEN. Good morning, I am John O'Brien, a first-year medical student at the University of Vermont.

Thank you for the opportunity to speak here today.

Before I begin, I would like you to know that I have taken the words of William Bennett to heart. The BMW is now up on blocks, I have hocked my stereo, and I do plan to cancel my spring vacation. [Laughter.]

Senator STAFFORD. Good.

Mr. O'BRIEN. As a Vermont resident, I have a 12-month medical student budget of $15,000. This includes tuition, food, shelter, and other expenses. I have been financially independent of my parents for 9 years. I anticipate an income of zero dollars for 1985. I am eligible for an approximate grant of $2,000 from VSAC—the rest of my funds must come in the form of loans. My need is $13,000.

Guaranteed student loan contributes $5,000, the very expensive PLUS and HEAL loans will cover the remainder. So the Guaranteed Student Loan Program accounts for fully one-third of my budgetary needs—not an insignificant figure. To decrease the funds available to me from this source will have a very strong impact, forcing me to rely even more on HEAL loans.

Let me point out the extent of indebtedness after 4 years of medical school. A total of $60,000 in loans; HEAL, accounting for $40,000, and GSL for $20,000 can over 25 years, amount to total payments of $240,000.

Reducing guaranteed student loan money will not have the same effects across the country. With one of the top five most expensive public universities in the Nation, Vermont will be hit particularly hard. Tuitions at State universities in Texas, West Virginia, California, and Utah, to name a few, are much lower than here, freeing students from some of their reliance on financial aid, such as guaranteed student loan.

When Mr. Bennett states that the financial aid cuts will, "like the rain, fall on the just and unjust," I suggest that many of the just or deserving students who will be getting soaked by this shower of cuts will be found here at the University of Vermont.

Speculation is surfacing about what impact debts of $60,000 to $100,000 will have on medical care in the near future. It is not unreasonable to foresee that faced with the reality of debts as great as these, medical students may modify their career choices to put themselves in the best possible financial positions in order to meet their payments. Family practice in West Rupert may lose some of its glow, and a surgical subspecialty in Burlington may take on a new appeal.

What changes would I like to see in title IV? I desperately need more affordable loans. I agree with the recommendations of the Vermont higher education community. To pick out a few of these, I would like to see the guaranteed student loan origination fee abolished, the borrowing limit on the guaranteed student loan for graduate students increased to $10,000 per year, and loan consolidation made possible.

I am aware that the loan interest and deferment of guaranteed student loans is subsidized by taxpayers' money. I ask their assist-

ance in the continuation of my education, for it is through education that tax dollars reach their greatest worth.

Thank you for your time and attention.

Senator STAFFORD. Thank you very much, Mr. O'Brien, for the effort that you have made to appear and help us in our deliberations.

The next witness will be Ms. Alicen from Goddard College.

Ms. ALICEN. Yes.

I have three points to make today. They are, the importance of financial aid in redressing the effects of prejudice; the role of financial aid in maintaining diversity and choice in education; and cuts in financial aid, condemning certain populations to perpetual poverty and public dependence.

My first point deals with the necessity of financial aid for redressing the effects of prejudice in this country. I received by BA from the University of North Carolina, in Chapel Hill, in 1972 in broadcasting.

After graduation I worked in a television station for 3 years, during which time I learned, through experience, about sex discrimination. I pursued a complaint through the EEOC, and won an out-of-court settlement, but I also learned, very quickly, that I had been covertly censured from getting other jobs in broadcasting. Similar discriminatory circumstances have confronted many other women, and racial or cultural minority members, for whom further education is the only means to secure employment, and financial aid is the only means to further education.

In my case, without immediate further education, I shifted careers into civil rights advocacy work, most of which has been advocating the rights of people with disabilities. My most recent job in that area was in the client assistance project of the Nebraska State Office of Vocational Rehabilitation. My position was federally funded under the Rehabilitation Act, with a grant that was among the first to be cut when the Reagan administration cutback on social services programs in 1981–82. I lost that job in March 1982.

I was not the only one out of a job due to the Federal cutbacks—but most others who found themselves dumped from similar positions had MSW or MA degrees, or at least a BA in a related field. In order to get a job, I needed a comparable degree.

After a year and a half of unemployment, mediated only by occasional odd jobs, I went back to school to get my MA in counseling psychology, which I financed by borrowing $10,000 through the GSL Program, and by working in work-study jobs.

This brings me to my second point, the role of financial aid in maintaining diversity and choice in education. I could have gone to a public institution with lower tuition rates, but no public institution would recognize my previous experience and training, requiring extensive undergraduate work before admitting me to a graduate program.

Only at a private institution, in this case, Goddard College, was I able to find a program responsive to my educational needs and goals.

The proposed cuts in student aid severely limit students' ability to choose an appropriate education, by eliminating orivate institutions from the realm of possibility, that is, the proposed cuts under-

mine the element of diversity and choice in obtaining appropriate education. Without the current guaranteed student loan levels, I would still be scratching out an odd-job living, and still be a couple of years away from obtaining a master's degree.

There is not much in the way of other financial aid available to graduate students. But whether graduate or undergraduate, the proposed cuts send us deeper into a situation in which degrees will be conferred upon few except the most economically privileged, while most of the rest of us will have to settle for less than we are capable of, and society will have to do without the full range of talent that would be available in a more economically equitable system.

The effects of the proposed cuts on my former set of clients—people with disabilities—brings me to my third point. Many people will be locked out of all opportunity to become productive, taxpaying citizens. Vocational rehabilitation agencies lost crucial dollars during the 1981-82 cuts, and many rehab clients were unable to begin or continue school, which was vital to their economic rehabilitation.

According to the proposed cuts, a disabled student, unable to get a job to generate income without first getting rehabilitative education, must get a job to earn, minimally, an $800 contribution per year before qualifying for a Pell grant. And I would like to know, how is that supposed to happen?

This is an insidious and inhumane catch-22 for all low-income students, and most especially for students with disabilities, compounded by the cuts in rehab dollars and the cuts in Social Security disability dollars. The basic human dignity of being self-supporting becomes more elusive, as cuts in financial aid condemn more people with disabilities to inescapable poverty and public dependence.

Senator STAFFORD. You have enough time to finish your last paragraph, if you would like to do so.

Ms. ALICEN. OK.

Senator STAFFORD. That was the warning, for 1 minute, I will say, to remind people how we are doing this.

Ms. ALICEN. OK.

It appears that fewer people can look forward to more than a job in a fast food restaurant, or worse, no job at all, regardless of their ambitions or abilities. Increased levels of employment in this country does not mean much, when so many are underemployed—and the cutbacks in student aid insure a system of underemployment. That hardly describes a land of opportunity for any of us, except those rich enough to buy it.

Senator STAFFORD. Thank you very much, Ms. Alicen.

Let me remind all witnesses that the first sound of the gavel means you still have one minute to go. It will be when you hear it twice that we would ask you to conclude.

The next witness will be Mr. Bernhardt Smyle.

Mr. Smyle, you are no stranger to a hearing of this committee, and we welcome you back again.

Mr. SMYLE. Thank you, Senator.

I express my appreciation to you, Senator Stafford, and to you, Congressman Jeffords, for an opportunity to convey some thoughts

which I think are germane and, hopefully, will help in some measure to ensure the reauthorization of the Higher Education Act.

Two very distinct feelings guide my remarks today. Since my wife and I have recently made our final tuition payment, the first feeling is one of relief. The second feeling is the strong concern that some very qualified and worthy students will not have a college opportunity unless the reauthorization comes about.

I would like to share with the subcommittee some observations gleaned by my wife and I as enthusiastic observers during our only daughter's 4 years at a small liberal arts college in Burlington. Chris finally chose Trinity for its size and rapidly growing reputation for excellence; a college willing to help women take their rightful places in the professions. She viewed Trinity as a college which, while meeting new changes and challenges, still stressed moral values and scholarship basic to its philosophy.

In each of her 4 years at Trinity, Chris was able to participate in the Guaranteed Student Loan Program. Without those funds it is possible that she would have been a day student, commuting to classes, and missing an essential part of college life—the sharing of time, associations, and ideas with her classmates and instructors. For those students who live beyond practical commuting distances, the loss of GSL funds might very well prevent their attending any college.

It bears repeating that GSL funds are repaid, with interest, and are not handouts, but, rather, investments made by the Government. The differences appear in the interest rates charged students by the lending banks, and the amount of interest paid to these same banks by the Federal Government. While these costs are not insignificant, they are a measure of a Nation's commitment to its future.

Since her freshman year, Chris has worked part time in the Work Study Program. She has variously worked some 12 hours weekly at the Vermont Student Assistance Corp., the Trinity Admissions Office, and in the office of the U.S. attorney. In addition, she has worked her summers.

In short, her academic life has been liberally sprinkled with work experience. I might add that, of her earnings, between 80 percent and 90 percent went into savings which were applied to her tuition bill. I further add that her mother and I are quite proud of her accomplishments, and unless there is some dramatic change, she will receive her degree in May, with honors. Over these 4 years we have witnessed much growth in maturity and knowledge, and can only applaud Chris for her hard work, and Trinity for its tireless advocacy of interaction and enlightenment.

On Monday of this week, Secretary of Education, William Bennett, declared that proposed budget cuts may force some students to divest themselves of stereos, cars, and beach vacations to pay for college. The Secretary's ill-conceived remarks further emphasizes the cynical disregard with which some current administration members view their nationwide domains.

While some students do, indeed, attend college for 4 years, or more, with little or no thought to the financial concerns permitting that, I submit, that the vast majority of students are very much

concerned with where the funding comes from and in fact, do work to help with tuition and expenses.

Secretary Bennett tells us that the bachelor's degree has lost much of its values. Should we, then, eliminate it, and permit the pursuit of higher degrees only for those whose bank accounts become the entrance criteria? If this is so, then the Secretary would foster an elitism foreign to this country. And to borrow the words of New York University president, John Brademus, the proposed budget cuts amount to a "declaration of war on the middle class."

As an aide here, I would say that Chris does not have a stereo. She has access to a vehicle 2 days a week, to go to work, and the only vacation she has had in 4 years was 2 days at Lake George last year.

May I suggest that whatever cuts are being proposed for higher education be made, instead, in the insatiable defense budget, which places its priorities on unproven military hardware and uncontrollable excesses—like $5,000 coffee pots and $500 hammers. It is sad commentary, indeed, when emphasis is placed on "smart missiles" and nebulous defense ideas at the expense of the very minds we need to achieve and maintain a meaningful peace.

In the course of our daughter's 4 years at Trinity, my wife and I have met and talked with many of her friends and classmates. We were very impressed with the levelheaded and socially concerned young ladies now getting ready to join professions or continue their educations. All of these young people were recipients of guaranteed student loans, work study funds, or were working part time. We are certain that if guaranteed student loan funds were not available, or if other aid programs did not exist, fully half of these very promising young adults would not have been in college.

I suggest to the subcommittee that a student who participates in the GSL Program is aware of the seriousness and commitment involved in doing so. I suggest, further, that such students are already learning the reality of everyday living for 95 percent of our population. These students are learning practicality and responsibility. In short, they are already beginning to pay back the short-time GSL investment, and in the years to come, will be the mainstay of our Nation's ongoing budget. To deny them the opportunity is wasteful and shortsighted.

Thank you.

Senator STAFFORD. Thank you very much, Mr. Smyle.

The last witness on this panel will be, I believe, Ms. Susan Davis of Vermont Law School.

And I would say, Susan, that if you were present when I lectured at the law school earlier this week, this is your chance to get even. [Laughter.]

Ms. DAVIS. I have to apologize. I am working with the State legislature, and I had to be in committee that day. [Laughter.]

Senator Stafford and Congressman Jeffords, my name is Susan Davis, I am 33 years old, and I am a second year graduate student at Vermont Law, and in addition to my studies, I am a single parent with two children and two part time jobs.

When I graduate next year, my debt load will be $17,000, and I would like to add that I have a little bit of envy for the medical

student who can dig up $60,000. This debt covers only my graduate school education, because I achieved my undergrauate work under the GI bill

Many, if not most of my fellow graduate students do not fall into that category of aspiring young people who can go home to their parents for help when money gets tight. We are the parents. We are adults with husbands, and wives, and children of our own. We are making real, and often painful sacrifices, both personally and economically, to pursue our goals. Nor are we in graduate school on a lark. Some are here because of social or economic changes in their career field. Others because their undergraduate work was insufficient, in a highly competitive world, to give them that kind of income potential necessary to provide for their families.

I was educated as a high school English teacher, but the chance for a tenured position, or any position, is extremely slim, and the pay for that is quite inadequate. My only alternative to graduate education is to take a minimum wage paying job and supplement my income with welfare.

Quite frankly, I want better for my family. But without Federal aid students like myself would not stand a chance. Graduate level tuition alone is higher than the amount of money we can get from any single loan program, and we seldom qualify for other loans because our only collateral is our future. We have to supplement tuition costs, buy books and supplies, and still provide for the cost inherent in caring for our families.

To lower the funding we receive would deprive us of an opportunity to provide for our families in the future and would deprive this country of the economic, political and social contributions of professionals. It would also have an immediate impact on the number of families resorting to welfare.

I represent a growing number of adults who are compelled to return to school. I carry a full load of classes and work about 25 hours a week at my jobs. My future, and the future of my children, depends on Federal aid. Whether we are able to contribute to society, or become a burden on it, depends on the Higher Education Act. Graduate students do not begrudge the sacrifices we have to make. We consider them an investment.

We ask only that you look beyond the statistics and the figures, that you look to the families involved, and that you urge your colleagues in Washington to look upon the Higher Education Act as their investment in the future of this country.

Thank you.

Senator STAFFORD. Thank you very much indeed.

I think that I have but one question I would like to address to the four of you who are—the three of you, who are students, and that is this, and it may be redundant, but I would like it to reinforce the record here. I will start with you, Mr. O'Brien, but the question will be the same to all three of you.

Could you continue your college education without Federal assistance programs?

Mr. O'Brien.

Mr. O'BRIEN. I just have to think a little bit in my head about that. I could. I could, and in the sense that I could just about cover

everything through HEAL and PLUS loans, therefore, my payback, quickly I think would be over $300,000.

But, yes, I have the opportunity where I could cover it. Unlike the other students here.

Senator STAFFORD. All right.

Ms. Alicen.

Ms. ALICEN. I have just finished my master's, so it is not germane to that, but I have been also planning to go on for my Ph.D., and I do not see how I can do that, without the current GSL's, at least.

Senator STAFFORD. Thank you.

Ms. Davis.

Ms. DAVIS. If the Vermont Law School offered a part-time program, where I could work a full-time job, I might be able to pull it off. That program is not offered in this State, and it would be impossible for me to take my family out-of-State.

Senator STAFFORD. In other words, without it, hereafter you could not do it, under the present circumstances.

Ms. DAVIS. Right.

Senator STAFFORD. Thank you.

Congressman Jeffords.

Mr. JEFFORDS. I have just one question for the entire panel. It deals with Mr. Bennett's comments which have been alluded to; that we are providing students with extra spending money for cars, and vacations, et cetera, because of the size of the programs.

Now, I would have to agree with Mr. Bennett, that if we do what he wants, we probably would not have those kinds of abuses, because we probably would not have any students. I do not think that doing away with students is the way to correct the problem.

I would like to know from each of you, whether or not, from your observations, the abuses are substantial. As Mr. Bennett indicates, we are basically subsidizing all of these nice things for our students, and that we can cut it back. We can end those excessive practices, and still keep our students in college.

Mr. MYETTE. Congressman Jeffords, I deal with students and parents on a daily basis, and there is absolutely no way with the cost of education the way it is today, that those students do not need every dollar of that financial aid that they are eligible for.

I admit that there probably are some exceptions, people who do beat the system, as there are in any system that we have in this country, but overall, those students need every dollar of financial aid that that they receive.

Ms. ANDERSON. Congressman Jeffords, my comments as a former GSL recipient myself, is that in Vermont, in particular, the lenders ride herd on you, as do the schools and the guarantee agency, to the extent that anybody who do have the predilection to take advantage of the system, would have a very difficult time to do it in the State of Vermont.

As I mentioned in my testimony, that may not be exactly the case where you have programs which offer mail order loans. This is one of the reasons why we are advocating that that kind of procedure be looked at by Congress during the reauthorization process. That would be the only avenue, if there is no State-by-State public oversight, that you could beat the system.

Mr. JEFFORDS. Mr. O'Brien, I would not want to leave it on the record that you have actually put your BMW up on blocks—[Laughter.]

Mr. O'BRIEN. I do not have a car, to be honest with you.

I would just like to state that from my experience, those few students who do have material goods, and the vacations that Mr. Bennett spoke about, are those who probably are not receiving financial aid, but have an inheritance, or their parents can afford to give them these things. Otherwise, students are living a pretty basic existence.

Mr. JEFFORDS. Ms. Alicen.

Ms. ALICEN. I do have a car, it is a 7-year old economy car, and I am afraid that when we get a thaw, it is going to fall apart, because the ice is holding it together. [Laughter.]

It has 88,000 miles on it, and I am holding my breath, every time I get into it. The stereo is 15 years old, and I have not had a vacation, except to come to school, in years.

Mr. JEFFORDS. Mr. Smyle.

Mr. SMYLE. I would have to say that our daughter's education has been a no frills kind of education, except for the very fine accommodations that are provided at the dorm, but that is it.

Mr. JEFFORDS. Ms. Davis.

Ms. DAVIS. I would agree with Mr. O'Brien. Most of the kids that have these things would have had them any way, and the rest of us would not. I do have a car, but then I have to commute 96 miles to see my kids, so I could not live without it. But I do not have a stereo.

Mr. JEFFORDS. Thank you.

Senator STAFFORD. Thank you very much, Congressman Jeffords, and thank you all, members of the panel.

Sister RYAN. Senator, before this panel returns, may I add a sentence? I have a minute that I am holding in reserve.

Senator STAFFORD. You can have more than a minute. [Laughter.]

Sister RYAN. I think it would be helpful to point out that student enrollments nationally, and in this State, is not an exception, student enrollments are not going to go down, that is a myth. The student population is changing, and the testimony we heard yesterday from an undergraduate, and from some graduate students today, these are some of our new students, who are joining the more traditional students, and I think that is a very important point to remember.

Thank you.

And than the panel, you are wonderful.

Senator STAFFORD. We agree.

Thank you very much.

The next panel will consist of a Pell grant panel, Gail Cooper, financial aid director of Marlboro College; Donald Vickers, assistant executive director, Vermont Student Assistance Corp.; Jonathan Henry, student, UVM; Albert Tremblay, student, Saint Michael's College; Camille Costa-Watterlund, parent, Castleton State College; and Richard Provost, parent, Saint Michael's College.

I think you have all heard the 4-minute warning, the 5-minute conclusion we are using, and without further ado, we will again go

from right to left, as Jim and I look at your table, so, Ms. Cooper, you are up.

STATEMENTS OF GAIL COOPER, FINANCIAL AID DIRECTOR, MARLBORO COLLEGE, MARLBORO, VT; DONALD R. VICKERS, ASSISTANT EXECUTIVE DIRECTOR, VERMONT STUDENT ASSISTANCE CORP.; JONATHAN HENRY, STUDENT, UNIVERSITY OF VERMONT; ALBERT TREMBLAY, STUDENT, ST. MICHAEL'S COLLEGE, WINOOSKI, VT; CAMILLE COSTA-WATTERLUND, PARENT, CASTLETON STATE COLLEGE, CASTLETON, VT; AND RICHARD PROVOST, PARENT, ST. MICHAEL'S COLLEGE, WINOOSKI, VT

Ms. COOPER. Senator Stafford, Representative Jeffords, thank you for the opportunity to share with you the views of the Vermont Association of Student Financial Aid Administrators regarding the reauthorization of the Pell Grant Program.

I am Gail Cooper, Chair of the Pell Grant Subcommittee of the VASFAA Reauthorization Committee and financial aid coordinator at Marlboro College in Marlboro, Vt. The Vermont Association of Student Financial Aid Administrators consists of the financial aid personnel at 24 Vermont institutions of higher education, and the Vermont Student Assistance Corp. Our recommendations on the Pell Grant Program represent a consensus among VASFAA members.

Our first recommendation pertains to the delivery of the Pell Grant Program. One of the biggest frustrations concerning the Pell Grant Program is the paperwork involved in the complicated delivery system. We recommend the decentralization of this process, with the program becoming totally campus administered, allowing for the elimination of the central processor and student aid reports. The students would apply for aid, including Pell grants, through the present needs analysis services. Eligibility for a Pell grant would be determined and paid at the institutional level, as a result of the student aid index now provided to the institutions by the services. Institutions would have the ability to recalculate the index as a result of verification, thus eliminating the need to forward the corrections for reprocessing. Of course, institutions who choose to make corrections would be liable for calculation errors. Students who wish to apply for a Pell grant only would also apply to the Needs Analysis Services, but pay no fee. Thus keeping the free Federal form. The institution would receive a needs analysis document which would contain the Pell formula only. The Needs Analysis Services would then bill the Department of Education for all Pell-only applicants. In addition to eliminating a great deal of confusion for the students, this proposal would increase the timeliness in notifying students of their Pell grant eligibility.

Second, we recommend that the cost-of-attendance regulations for the Pell Grant Program be eliminated, and that the general provisions regulations cover all title IV programs. If, for fiscal reasons, this does not seem possible, we recommend investigating basing Pell eligibility on tuition and fee costs only. Along with this we recommend the continuance of the half cost rule, and the elimination of increasing the percentage of cost as the maximum Pell

grant increases. The rationale for this recommendation is that we believe it is unfair for a poor student, who attends a low-cost school, to have a disproportionate percentage of his or her educational costs covered by a Pell grant, as compared to the same student attending a higher cost school.

Third, we recommend that Pell grant payments to part-time students be made on a percentage-of-cost basis, as opposed to the method presently in use. Presently, a student taking eight credits receives the same grant amount as a student taking six credits, even though their cost may differ significantly.

With dramatically increasing costs of education, and declining purchasing power of student aid, there has been a trend toward emphasis on loans over grants as a means to providing student financial aid. Nationwide, in 1975–76, grants made up 80 percent of the total financial aid offered. In 1984–85, grants represent about 45 percent of the total aid awarded. The association feels that if appropriations had been sufficient to support the Pell grant levels authorized in the educational amendments of 1980, the problems of total aid versus cost, and the increasing emphasis of loans over grants, would have been significantly reduced. We recommend the following Pell grant levels, based on what we feel is a conservative 6.5 cost of attendance increase per year. In 1986–87, $2,750; 1987–88, $2,900; 1988–89, $3,100; 1989–90, $3,300; and in 1990–91, $3,500.

We are not recommending that Pell grants be extended to graduate students, or for a second undergraduate degree, because we feel that this would decrease Pell grants for students seeking their first undergraduate degree.

We realize that it is probably politically unrealistic to push for full entitlement of the Pell Grant Program at this time. Nevertheless, we recommend that efforts continue in this direction, with the eventual realization of this goal, at a time more fiscally advantageous.

Thank you.

Senator STAFFORD. Thank you very much, Ms. Cooper.

And now, Mr. Vickers, we would be happy to hear from you.

Mr. VICKERS. Thank you, Senator Stafford and Congressman Jeffords, I appreciate the opportunity to share with you the importance of the Pell Grant Program to Vermonters, and make recommendations for consideration by the committee to improve the program during the reauthorization of the Higher Education Act.

Since its inception the Pell Grant Program has played a major role in making postsecondary education a reality for many Vermonters. From 1978 to 1982 the continuation rate of Vermont high school seniors increased 5.6 percent, which placed Vermont at the national average. A major factor in this increase was the growth in student aid dollars on both the State and Federal levels.

Pell grants are currently assisting over 4,200 Vermonters, with more than $5.7 million in grants, second only to the Vermont Incentive Grant Program in the number of students aided, and the dollars awarded. I believe the success of the Pell Grant Program can be attributed to the following differences from other student aid programs.

The entitlement nature of the program, which guarantees funds will be available for all needy students at a specific funding level

in a given year, helps to alleviate uncertainties about funding for many students.

Funds go directly to students rather than to institutions, allowing students greater access to and choice of postsecondary institution.

Although funding has not kept pace with educational charges, Pell grant funding levels have increased, most recently, last year, when the maximum Pell grant increased from $1,800 to $1,900, and are funded at $2,100 for the 1985–86 college year.

The following recommendations, which I offer for consideration by the committee in reauthorizing the Pell Grant Program, are consistent in most aspects with the recommendations of the Vermont Higher Education Council Reauthorization Committee, of which VSAC is a member.

First, to improve the delivery and reduce the costs of administering the Pell Grant Program. I recommend replacing the private, for-profit central processor and the student aid report with a system which would piggyback on State and institutional resources.

Eligibility for Pell grants could be determined by the State agency, such as VSAC, or institutions based upon the index provided to us by the National Needs Analysis Services. This proposal would save the much-needed dollars spent on contracts for processing, and reduce the time it takes to notify students of their eligibility.

Increased funding for Pell grants is necessary if the goal of guaranteeing all students access to a postsecondary education is to become a reality. Nationally, grants as a percentage of the total aid awarded peaked in 1976 at 80 percent. In 1985 that percentage is expected to drop under 50 percent, greatly increasing dependency on student loans to the point where the guaranteed student loan borrowing need for many students exceeds or equals the maximum loan borrowing limit. This is best demonstrated by the fact that Pell dollars in Vermont declined 24 percent from 1981 to 1985, while the average VSAC guaranteed student loan increased 26 percent.

During 1985 Congress faces many important decisions which will shape the future of America. The most important of these decisions is the education of its citizens. At a time when improved quality of education at the elementary and secondary levels is a major national goal, it seems ironic that postsecondary educational opportunities would be greatly reduced or eliminated through reduced funding for needy Americans. If an income cutoff of $25,000 were placed on the Pell Grant Program, as recommended, hundreds of Vermonters currently receiving Pell grants would be denied this assistance. This would have a negative impact on the number of Vermonters seeking a postsecondary education.

Of great concern at the moment is the negative impact the recommended Federal cuts would have on students to continue their education next fall. VSAC encourages all students planning to continue their education in September 1985 to apply for student aid.

We hope you and your colleagues in Congress will not support major cuts in the student aid programs. The future of America depends upon a well educated and informed citizenry, and this goal

can be realized only through an increase in educational opportunities for low- and middle-income Americans.

Thank you very much for this opportunity to share my thoughts and suggestions with you.

Senator STAFFORD. Thank you, Mr. Vickers.

Mr. Henry?

Mr. HENRY. Thank you.

Senator Stafford and Mr. Jeffords, my name is Jonathan Henry. I am from Chester, VT, and a senior political science major at the University of Vermont. I would like to thank Terry Van Zile, associate director of financial aid at UVM for inviting me to speak on behalf of the nearly 75 percent of Vermonters at UVM who are recipients of Federal financial aid.

I come from a family which is a classic example of the type that had directly benefited from Federal assistance to higher education. My father is pastor of a small Baptist church, and although higher education is very important in our family, a minister's salary is not nearly sufficient to send four kids to college in rapid succession, with two of us at the university right now.

In fact, my parents have been unable to contribute at all to our educational expenses, thus we have all assumed responsibility for financing our own education. If 100 percent of my expenses had not been met through a combination of Pell, SEOG, national direct student loan, Vermont student assistance and guaranteed student loans, in addition to supplemental income from summer and part-time, school-year jobs, I would not be sitting here today, nor would my younger sister have the opportunity to enter UVM next fall.

Without the current financial aid programs, the middle class dream of earning a college degree from an academically respected institution, such as the University of Vermont, would not be a reality for my family or the multitudes like us.

I think the impact that the proposed cuts would have was best stated when president of New York University, John Brademus, said that the Reagan administration's proposals were a "declaration of war on middle income America." I am frightened that the passage of the proposed cuts would turn UVM into a "public ivy" that would be accessible only to affluent out-of-State students who could absorb the slashes in aid and the ever-increasing tuition at what is already one of the most expensive State universities in the Nation, for both in- and out-of-State students. Does it not seem an injustice that Vermonters would be priced out of their own university?

The administration's proposals to bar Pell grants and other campus-based programs from families with incomes above $25,000, along with the proposed $4,000 lid on annual help to all students, regardless of cost, would deeply hurt Vermont families and students. It makes me wonder how it would be possible for an average family of four with a yearly income of $26,000 to send a child through the University of Vermont with a lack of financial aid and a price tag of more than $6,000 a year.

We must not neglect the possible long-range effects of reduction in financial aid programs while attempting to solve the short-range budget deficit problem. Let us not make a college degree something only for those who can afford it on their own. Aspiring students

should not be punished simply because their parents are in that middle income bracket.

If we truly want to keep America strong, we should not begin by building walls around higher education. Mike Hambly, a student from UVM, who testified several years ago, said it best when he remarked.

> It may be wise for the Government to remember that it is neither the idle rich nor the abject poor who are the producers and taxpayers in this Nation, it is the folks in the middle, and the future of their sons and daughters should not be sacrificed for the sake of questionable economic theory.

I owe my college education not only to myself and my supportive parents, but also to the financial aid that I received during my 4 years at UVM. My parents gave me the support, and I gave myself the hard work and the ambition, but the Federal financial aid programs gave me the opportunity and the resources to actually make it all happen.

Senator STAFFORD. Thank you very much, Mr. Henry.

And next, Camille Costa-Watterlund, we are delighted to have somebody here from Rutland County.

Ms. COSTA-WATTERLUND. Thank you. I am delighted to be here.

My name is Camille Costa-Watterlund, and through the Pell grant, the supplemental educational opportunity grants, the national direct loan and college work work study at Castleton State College, my sons, Christopher, Richard and myself have the opportunity of a great resource, a college education.

The importance of education is the exploration and discovery of oneself, and the meaning of truth, goodness, beauty, liberty, equality and justice. A better understanding of these fondamental concepts is essential if we are going to cope with the political, moral and social issues that confront us today.

I have raised my 3 sons by myself for most of their lives. I could not afford to send my sons to college. The Federally-funded programs have made it possible for Chris, Rich and myself to attend college, and receive the knowledge and training we will all need to be a productive part of our society.

President Reagan has proposed a cut in Federal aid to colleges. These cuts would diminish the possibilities of my sons and myself finishing our college education. For the very low income family, putting a ceiling of $4,000 total aid per year, per student, into effect, will cause a drop in enrollments among students who have the need and the desire to succeed in our society, but whose families cannot afford any money for their education. The drop in enrollments would mean higher cost of operation to the colleges, causing a rise in tuition costs.

The elimination of the guaranteed student bank loan for families with income levels of $32,500, these people in many cases have been to college, and have reached some level of success in their fields of work. They are families who have pursued and acquired the "American dream," a one-family house, two cars, and all the traditional expenses that tag along with this dream; taxes, insurance, repairs, et cetera. They may have one or more children in college at this time. The elimination of the guaranteed student loan is like a punishment to these families for their achievements.

The poor need help to rise up out of the darkness and despair of helplessness. Welfare should and can be a temporary help to those in need. Education is the long-lasting remedy to societies' ills.

For the so-called middle class, they need support to retain what they have achieved, and continue to educate their young. This is a perfect time to share something John Adams said about the importance of education. "Teach your children about war and politics, so that their children may study medicine and architecture, so that their children may have the right to study art, music, drama and poetry."

The answer to a strong country was, is, and shall always be, its people. Thomas Jefferson put it simply and beautifully when he said, "the Commonwealth requires the education of our people as the safeguard of order and liberty."

"They," always show a pie when talking about cutting the budget. Somehow it is so easy to be less concerned when seeing the slice of pie. Cut the slice of pie that represents the defense budget, and it would not be noticed. Cut the educational budget, and you affect the quality of life for millions of people, with immeasurable repercussions echoing throughout society for generations to come.

Let us fight for life—education for everyone.

Thank you.

Senator STAFFORD. Thank you very much, for a very moving statement.

Mr. Provost, as a parent we would be delighted to hear from you.

Mr. PROVOST. Thank you, sir.

I am Dick Provost, a parent, and my wife and I have five sons.

Mr. JEFFORDS. Move the mike over, Dick.

Mr. PROVOST. I am Dick Provost, I am here representing college students, and my wife and I have five sons, two of which have already graduated from college, and three are currently in college.

I have been asked here to testify to the merits of the Pell Grant Program, and the effects on families like mine, without it.

I sell life insurance, and I am in contact with many families in my same situation, and I think I can comment, as I do have a first-hand opportunity to understand the problems of trying to educate their children, and at the same time keep up with current living expenses.

I submit to you that if Pell grants are reduced, or available to a lesser number because of income levels, many of those children will find a college degree is out of reach for them.

Families in the so-called middle class, and the so-called poor depend on a financial package that is similar to a stack of bricks; family contributions, student contribution, school grants, Government loans and grants. If you remove any one of the bricks, the whole program will collapse.

The administration's proposed change to the Pell Program would leave out very many young people in the middle of the economic spectrum. And I ask why should only the very wealthy and the poor have access to an education?

Today a BA degree is as necessary as a high school diploma used to be, to even get an interview for employment.

I have seen the despair of the high school graduates in the families I work with who, for various reasons, usually financial, have not gone on to further their education.

I would like to illustrate why I feel that a Pell grant is not a permanent loss to the Government, any more than Federal loans are.

My oldest son, Steve, is now working on Capitol Hill for Congresswoman Schneider, graduated in 1982 Cum Laude from Saint Lawrence University, with a major in Government and Psychology. Without Pell grants he more than likely would be pumping gas or stocking grocery shelves in Montpelier, and earning maybe around $8,000 a year, without much hope for the future.

Using this year's tax table for a single person, I find that the difference in taxes he will pay on his current income, and what is payable on $8,000, is $4,000. By the end of next year his additional tax liability will more than offset any grants he received to get his education. And I expect that this would be the case for most people who get their degree.

The availability of Pell grants cannot be reduced. If anything, they should be more available to more students. With the higher cost of education and the proposed reduction in minimum hourly wage a student may earn, the needs of families for financial aid is becoming greater all the time. The education, to the fullest potential, of all Americans who desire an education should be our top priority for the future.

Perhaps an educated populace could bring lasting peace, where all the billions and billions of dollars spent on guns, bombs, planes, ships, et cetera, have failed to do so. What is the purpose of using all our resources for defense, if we lose out to poverty and ignorance?

The last point I wish to make is that education in Vermont and New England is a very vital part of our economy. If schools have to close, or cut back due to the loss of students, and more people are unemployed, have we really saved anything by making the proposed cuts in the Federal budget, particularly the education budget?

In closing, I would like to ask again that Congress reconsider any reductions that have been suggested for funding education, and look ahead to the future, when these young people and their families will need more help.

Thank you.

Senator STAFFORD. Thank you, Mr. Provost, for an excellent statement. All of you have made very helpful statements for our deliberations on the questions facing us on the Higher Education Act.

Mr. Henry, in view of your testimony, I think you made it abundantly clear you could not have——

A VOICE. Joanne Fernandez, you have a phone call at the coffee shop.

Senator STAFFORD. And she is not even running for anything. [Laughter.]

A VOICE. Joanne Fernandez, phone call at the coffee shop. Joanne Fernandez, you have a phone call at the coffee shop.

Senator STAFFORD. If Jim and I were running this year, we would be doing the same thing.

But, Mr. Henry, I think you made it abundantly clear that you could not have gone through college without the array of college assistance programs, is that true?

Mr. HENRY. Yes, that is, 100 percent of my aid has come from, as I mentioned, all these programs, and my jobs in the summer, and my school year job during the year as a student manager at a dining hall on the UVM campus. It has been difficult balancing those things, but I had no coice.

Senator STAFFORD. Without the college assistance programs then you would probably still be employed somewhere as a high school graduate?

Mr. HENRY. Yes. I would probably be at Chester Tire Center, pumping gas, at the corner, meeting a lot of out-of-Staters, who do go to UVM, but I would not be there myself.

Senator STAFFORD. Well, let me just ask you, in view of your answers, do you take a 3-week vacation, each year?

Mr. HENRY. No, sir, I do not. I do get away in the summer, one week I was helping a friend drive to school. I do not know if that is a vacation, but I really have not been away. I did work this summer as a work study student, for the whole time.

Senator STAFFORD. Do you own an automobile?

Mr. HENRY. Yes, sir, I do. It has been a necessity, to carry out my job as a student manager. In fact, I have also been doing some bartending at local functions, such as a Chuckie's dinner for the Trinity College, the UVM Board of Trustees——[Laughter.]

Mr. HENRY [continuing]. Without my automobile I would not be able to do those things.

Sister RYAN. Could we strike that from the record?

Senator STAFFORD. I think I will not pursue the subject any further. [Laughter.]

Congressman Jeffords?

Mr. JEFFORDS. I would like to pursue that in a slightly different way. I think it is important to do so, as maligning as Secretary Bennett's comments were. He is not the only one that has that view.

I know I was asked by the media yesterday about the question of abuses in the program. And the other day when we had our town meeting in Morrisville, one of the senior citizens there was adamantly certain that Mr. Bennett was right.

I would therefore like to ask the rest of the panel, whether from their observations there is wide abuse, especially in the Pell Grant Program, or do you see the kind of widespread abuse that Mr. Bennett alludes to. But before I do that I want to commend Dick Provost, my former neighbor, for the tremendous job that he has done in providing the United States with super citizens. Two of them I have had the good fortune to have worked for me, in one capacity or another. I know Steve is now with Claudine Schneider and doing a super job, and I just want to commend you as a former neighbor, and as a tremendous parent. I really appreciate all you have done for the country in that regard.

May I ask the members of the panel to state, for the record, whether or not, in their observations, whether there are these kind of wide abuses in the Pell Grant Program?

Ms. COOPER. I would say there are no widespread abuses, but the Pell Grant Program is driven by the adjusted gross income, and the tax system allows some people who have a large income to show a very, very small adjusted gross income and thus receive a Pell grant. These students at Marlboro College do not get any other aid, but once in a great while, a student will be eligible for a Pell grant, who, as far as I am concerned, should not need any aid at all, but that is a result of the tax system.

So unless we somehow arrange it so that the real income shows up on needs analysis forms and not just the adjusted gross income, we will probably continue to have that small percentage of seeming abuse.

Mr. JEFFORDS. I think that is an important point, one we ought to be focusing on; what the abuses are, and how to get rid of them, rather than making just a general condemnation of the whole program. It gives a bad image to the public, and many of them are ready to accept those kinds of images.

I appreciate those suggestions. They may help us to remove abuses of that nature.

Mr. Vickers?

Mr. VICKERS. I would just like to further add that we do not see any widespread abuses in the Student Financial Aid Program. One of the roles that VSAC plays is to examine the total financial aid that any student receives, from all sources, as well as estimate the parents ability to pay.

We make sure no student has more resources than it cost to go to school, as well as no student has grant aid that exceeds the cost of tuition and fees alone. So every student has his self-help, as part of this financial aid package.

We also verify the income provided by all the parents in the State of Vermont who have kids applying for assistance, with IRS, to make sure the income reported is accurate. There is students on college campuses with cars, but they are the students who can afford to pay the costs of the education, they are not the ones who are receiving financial aid, or who you might see going on vacations, and I think that the Secretary is under a bad misconception about abuses in the student financial aid programs.

Mr. JEFFORDS. Mr. Henry, you have given your own personal experience, but what about observations of your fellow students?

Mr. HENRY. I believe that most of the students I know, there is not a single bit of abuse. Certainly, as with any system, we just cannot point out education, we have to think of welfare programs, social services programs. There is a little bit of abuse in almost everything that is done. I really do not think it is a rampant part of the program.

I think we have to address a further question, which is, why is the cost of education rising at a higher rate than the rate of inflation? We cannot just emphasize the aid, and cut that aid, we should emphasize cost of education itself, and why it is rising, and that possibly that is causing some of the abuse in the system, if it really does exist.

But my own testimony, my own observations, are that there is very little abuse in the system, but of course it is going to happen

anywhere, and the question is we have to get to that, a way to cut out that small amount of abuse that does exist.

Mr. JEFFORDS. I appreciate that.

Ms. COSTA-WATTERLUND. Well, although I feel very rich, according to what people would normally, as far as count as richness, I feel rich because I have an opportunity to go to college, and to have a future to look forward to. As far as material things, I do have a car. I was able to take over a small balance of a loan of a student who could not afford to pay, and was falling out, and that was due each month, and that is how I acquired the car, otherwise I would have no credit to get one, or any extra money to buy one. So I pay a small amount per month to his bank, and have done this with a lawyer, with no great risk to myself, and it is a small amount, and I am not able to have a car for my family and myself.

And as far as vacation, I do not even know what the word means. I am happy though, and I do feel very rich, for the fact that I had the opportunity to go to school, and that seems to satisfy me very well right now.

Mr. JEFFORDS. Dick, would you share your observations with us?

Mr. PROVOST. I have observed, Jim, from my own family, and of course the other students in town, and many of the students who were on aid programs. I do not see a lot of abuse. I think like any program there is bound to be a little bit of it, and I do not think there is any program in this country, or in this town, that there is not someone abusing some part of it.

This administration seems to look at everything from the point of view that if they received a barrel of apples as a gift from someone, and one apple was rotten, I think they would throw the whole barrel out the back door. And this seems to be the way they approach everything.

The callous remark of Mr Bennett, of letting the rain fall on the just and the unjust, I think he is all wet, and I believe 85 to 90 percent of the people are not abusing this program.

Mr. JEFFORDS. Thank you very much, panel, for some very excellent testimony, which will be extremely helpful to us.

Senator STAFFORD. Before the panel leaves, another question has occurred to me. I would like to direct to Ms. Cooper and Mr. Vickers, and that is in connection with one possible abuse of the array of college assistance programs, not necessarily Pell grants, and that is the practice, occasionally, of some students who come from well-to-do families, who really are not entitled to aid of any kind, declaring themselves, successfully, to be, as far as the college administration, are a loaning facility, declaring themselves to be independent of their families, and self-supporting, and thereby obtaining financial aid to go to college.

Have either one of you encountered that sort of thing, in your experience?

Ms. COOPER. At Marlboro we find it all the time. We follow, or we try to follow, what VSAC has done, which is to insist that students be self-supporting 1 year back further than the Federal programs require.

Senator STAFFORD. Yes.

Ms. COOPER. We are not able to do that with Pell grants. I am not able to call someone dependent, who in the Pell grant regula-

tions call independent. I do not think the 22 year age requirement would make a whole lot of sense. Insisting on 1 more year of self-support makes a little more sense. But there are always going to be circumstances where a student who is legally independent from his family, does have well to do parents, but the parents refuse to help. That happens a lot.

There are a lot of times we need to take that individual situations into consideration. One of the things which I keep trying to figure out is, how can the Federal Government get information from divorced parents. Presently the Federal programs do not look at the noncustodial parent. Places like VSAC and Marlboro do in awarding their own aid. But, we have trouble with that, too, because sometimes that makes it really difficult for students. There are areas where there appear to be abuses, but it is because the system is set up that way. We should zero in on the system and, figure out how to measure need better. For example we do not ask grandparents to complete FAF's, but I guarantee that somwhere there is a student who is eligible for a full Pell grants who has a car because his grandmother gave it to him. We cannot make him give up that car.

Senator STAFFORD. You mentioned going back 1 year. You mean——

Ms. COOPER. Going back an extra year for the three dependency questions.

Senator STAFFORD. Checking the 1 year now, checking back on income tax returns, the parents have to have not carried the student as a dependent for 1 year.

I think, Mr. Vickers, in your practice you go back 2 years, that you require that the student have not been carried as a dependent for 2 years, in connection with loans, is that correct?

Mr. VICKERS. That is correct, Senator, we go back 2 prior years, before the current year in which the students apply for aid.

Now, the significance of that is, in Vermont the number of what we call self-supporting students, and that is what we believe they are, if you are self-supporting, then you are providing your own support, that we run anywhere from 5 to 8 percent below the national average, and I think that additional year makes the difference.

However, I do not want to give the impression that it is a nonflexible situation. Any student who feels that he is not being treated fairly can appeal that decision. But we find that it is not an advantage to any student in Vermont to be self-supporting. If you are truly self-supporting, your costs are so high to go to college you are probably borrowing the maximum available under all loan programs, you are going to have a large unmet need, and your grant aid is not going to be any greater.

Senator STAFFORD. You have found, I guess, that a 2 year look back on income tax returns does help some in weeding out those students who should not be, who are not really independent, and therefore should not be helped?

Mr. VICKERS. That is correct. It has worked very successfully for several years in Vermont.

Senator STAFFORD. That might be well for us to try in Washington.

Mr. VICKERS. We have recommended that several times to the Department of Education. We were hoping that they would follow through with our recommendation.

Senator STAFFORD. We will try to bring that to their attention.

Mr. VICKERS. Thank you.

Mr. JEFFORDS. Mr. Chairman, I would like to——

Senator STAFFORD. Yes, indeed.

Mr. JEFFORDS [continuing]. Make a comment, if not ask a question.

I think that points to a very serious philosophical and legal problem that we have, which is a residue of reducing the age of majority from 21 to 18, where you no longer have any real defined legal responsibility of parents to support the children. And it makes it difficult to try and define what the responsibilities should be, and sometimes by checking income tax returns you may pick up some. But the astute who measures to whether or not they make more by getting the extra deduction on their income tax return or not, can easily avoid that situation, if they look forward and abuse the program.

But the question is whether it is abuse when there is no legal responsibility of support. What I am worried about, as we look towards the future, is one we can deal with right now; and that is how we establish equity.

What we seem to do in this country is to have an incentive which really penalizes the good American family which saves, or liquidates their assets to put their kids through school. And we have an incentive which rewards the people that do just what we are talking about and that is kick the kids out, give them money under the table, and take advantage of the system.

It seems wrong to me that the incentive program we have rewards the people that want to try and beat the system, and penalizes those that are trying to be the good parents. I wonder if you have any comments on that?

Mr. VICKERS. I would just comment that first of all in order to beat the system, we are talking about having no support from anyone for 3 years. That is pretty difficult for a freshman in college. Most of them have been in high school prior, they have been living at home, we are not only looking at exemptions on tax returns, we are looking at who they lived with the prior 3 years, any contribution of dollars, in any form, as well as, in VSAC we have the parents sign what we call a parental affidavit of nonsupport, saying that they have not supported this student for the prior 3 years.

As far as problems that may occur, I can relate two situations, two cases in the last couple of years, where parents refused to provide the information. In those cases we spent time following up.

One was a situation where even if the parents had provided the information, after working in the community, there was no financial base to help the student, whatsoever.

In the other case, it was purely a parent who was in extremely well financial condition, who could have paid the full cost of the education. We felt we could not support giving that student grant aid, because the parents had the ability.

However, we spent a lot of time with that student, to get that student loan aid to go to school. In the second year the student was in college, the parents came forth with assistance for the student. So I do not particularly see that as anyone ripping off the system, necessarily.

I do not see that as a problem, and I think that when most parents are confronted with the situation of a moral obligation to provide assistance before they ask the taxpayers in Vermont or the United States to do it, in most cases the situation changes very rapidly.

Ms. COOPER. Well, I guess I would have to second what he says. It is hard, because the whole financial aid system is based on looking at the family as they are now, not as they were last year, and not as they are going to be 5 years from now, but as they are now.

As a mother, with two kids in high school, I keep asking myself, as I stash money away in accounts for them, what am I doing this for, that means they are going to be eligible for less aid.

Yet, you know, the ethic is pretty strong in our family, that if we can possibly save, we do it. Marlboro is a tiny, tiny school, and I get to know my students and their families very well. Most families provide for their students the best they can. They put what they can aside. Even if they know that by saving money they are getting less financial aid, they still do it, because they believe in it.

With every system, there are going to be those who are going to play it, and are going to try to do what they can to get around the system. I do not think we can build a foolproof system.

I do have suggestions, like not using adjusted gross income, but basically, I think that the complaints, such as "They take a vacation every year, and they have a nice car, and we do not, and they are getting aid, and we are not," may never entirely disappear. I do not think that we can build a foolproof system in which that never happens. Besides which, if we denied students aid because their parents could have saved and didn't, we would be penalizing the students for the sins of their parents.

Mr. JEFFORDS. We have been criticizing the administration here for 2 days, but I would like to point out that they do have one which gets into this area, especially as we look forward to tax reform; and that is allowing parents to deduct from their taxable income an amount of money to be set aside for the education of their children.

I would just like to give you an opportunity, if you feel appropriate, to commend the administration.

Ms. COOPER. Well, I would say that it would only be appropriate for people under a certain income. There are an awful lot of people whose children will be going to school that would love to be able to set money aside for their kids, and take that tax break, but they cannot possibly, because they just barely have enough to live on.

We have students at Marlboro whose families' income is less than it costs for their student to go to Marlboro. They cannot set money aside. But if your income is $100,000 a year, sure, you can take advantage of something like that, and then it is just another tax writeoff for the wealthy.

So if it were set so that there is an income cap on the tax benefit, then it makes sense, but it does not if it is wide open for everybody.

Mr. JEFFORDS. I understand.

Mr. VICKERS. One of my concerns is if we are trying to increase the revenue of the Federal Government by making cutbacks in programs, what that kind of a program would do would allow a family who has the funds to save it, and get the advantages, the tax advantages, as well.

At the same time, if we are going to cutback student financial aid programs, or not increase them for the low-income families, who do not even have the resources to put it aside, then I cannot support that kind of a proposal, personally.

I think we have got to gauge our efforts on making sure that there are funds available for low-income and middle-income students to be able to obtain a postsecondary education, and not zero in on something that might aid those families who could afford to do it, as well as reduce the amount of revenue that is going into the Federal Treasury.

Mr. JEFFORDS. Well, if you are talking about a cap on income, would you say that this is a good idea or not?

Mr. VICKERS. I would say no. The reason I would say no is because you are going to get two advantages. You are going to be able to save the money, and you are going to pay less taxes, and I would rather see us not institute a new program like that at this time, instead put more money into the existing student financial aid programs, so those that have need can receive the aid.

Mr. JEFFORDS. Anyone want to comment on that?

I tend to disagree with you. It seems to me that if we are going to try to reduce the need of middle income people to liquidate their assets, when that time comes, or to depend upon GSL's, which are subsidized, would it be better to accumulate capital for the Nation, which is necessary now, to allow that option for middle income people.

Mr. PROVOST. I would like to comment on that, Congressman.

In my business, we for years encouraged people to save through insurance programs, investment programs, for their childrens' education, and obviously we are the, as an industry, supporting the Act's incentive for people who do this.

As I understood it, it was going to be a credit, a tax credit, rather than a tax deduction.

Mr. JEFFORDS. I do not believe so, but I would have to recheck that.

Mr. PROVOST. Well, I read that just the other day, but either way, the insurance industry does support it, and I was thinking about it coming over, with programs like this, that maybe financial aid from the Government, State or Federal, could be a temporary thing, if we can get future generations to do these things, say make it easier for them to set money aside.

And also, from my point of view as an insurance agent, there are more and more family estates being left, so that future generations are not going to be left penniless when the parents do pass on, there are some sizable estates out there, even in the middle or lower middle income, because of the type of policies people are buying today, and the lower premiums that we have.

And I see down the road, two or three generations, that maybe people will be able to take care of themselves, and will not be de-

pendent, even for the childrens' education, or their old age, on the Government, if they do create these incentives for them to set money aside to take care of these.

Mr. JEFFORDS. You have reinforced my belief that you are a very astute and capable parent, as well as a businessman.

Thank you very much.

Senator STAFFORD. Thank all of you on the panel very much for helping us in our deliberations, we appreciate it, and look forward to seeing you again.

[Additional statement of witness that did not appear follows:]

PREPARED STATEMENT OF AL TREMBLAY, STUDENT

Senator Stafford. Congressman Jeffords. members of the Subcommittee.

I have been asked to appear before you to present the views of a private school student on the Pell Grant program and possible cuts within that program.

I am a senior American History major at St. Michael's in Winooski. I am also the recipient of a Pell Grant in addition to other financial aid.

The Pell Grant is a key element in the financial aid process at St. Michael's. Student's Pell Grants often provide the index for aid given through the institution itself, making the amount of the Pell the basis for all other forthcoming aid.

Next fiscal year, St. Michael's will invest over $2 million dollars into its financial assistance program, which serves over 80% of St. Michael's students. Because the aid is based partly on the amount of federal dollars granted, any cuts in federal funds would result in St. Michael's cutting students off, or attempting to subsidize funds lost by federal cuts. Either positions would spell financial disaster for both the student and the college.

Contrary to the claim's made in Washington, most students are not out for a free ride, a stereo, car or a vacation. The cuts proposed in the federal student financial aid programs, especially the Pell Grant Program, mean that many college-age adults will not attend school beyond

high-school, simply because they cannot afford to.

I can go on and on, making general statements about student aid cuts, but I believe an example can best illustrate what Pell Grant cuts would mean to me:

I come from a middle-class family, and my parents both work, my father as a general manager for a moving/storage company, my mother as a receptionist for a bank. However, when I applied for school four years ago, this was not the case. Before I graduated from high school, the trucking company that employed my father suddenly closed its doors. Our family lived on and exhausted accumulated savings while he searched for another job. In the meantime, I had made the decision, at my parents' urging, to accept admission to St. Michael's.

Before the fall of my second year at St. Michael's, my father suffered a coronary, which effectively ended his active employment for a year. Now recovered, he lives a life far different from the one he led before.

I, however, stayed in school all this time because through the Pell Grant and St. Michael's Aid Program, monies were made available to me to continue at St. Michael's. Through summer jobs and college work-study, I have been able to provide a goodly portion of my tuition and living expenses at school. I have also sought out, and have been awarded numerous scholarships, all of which supplemented the essential financial aid.

I might be an extreme example, but I have the feeling

that even though my parents are both well and at work, my two younger brothers will never be able to obtain a quality education if federal financial aid is cut.

The financial aid program is the only hope of the middle-class family in sending their children to quality higher education. If cut as proposed, middle-class families could not afford future education, and loans would become a privilege if only the rich.

The Pell Grant has been beneficial to me, and it probably made much of my higher education possible, but I fear for students in the future if the aid is cut or otherwise curtailed. I plan a career in higher education, and I believe that I will see a decline in student and educational quality if the institutions I teach receive less federal financial aid dollars each year.

Al Tremblay, student from Saint Michael's College

Senator STAFFORD. The last witness of the morning will be the very able president of the University of Vermont, Dr. Lattie Coor.

Doctor Coor, we are delighted you are able to join us as a witness this morning, and we look forward to your testimony.

STATEMENT OF DR. LATTIE COOR, PRESIDENT, UNIVERSITY OF VERMONT, BURLINGTON, VT

Dr. COOR. Thank you very much, Senator Stafford and Congressman Jeffords.

You have, I fear, begun a dangerous precedent. If word ever gets back to your city that a hearing is running 20 minutes ahead of schedule, there will be such a stampede to this State for hearings, from every committee, that we cannot possibly house them all. [Laughter.]

It is a first in my experience, and perhaps yours. The Calvin Coolidge tradition lives on. There is a curse and a blessing to being the valedictory for the morning. The curse is that the luncheon table is being set, and stomachs are probably beginning to rumble. The blessing is that I can summarize, in substance and in spirit what I found to be informative in the moving discussion this morning.

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I am pleased that this hearing is not only on the record, but clearly establishes the leadership of both of you in starting the reauthorization hearings in a State that probably has done more to help shape this legislation, through the two of you, as the two most important voices in the Congress, in our judgment, on higher education.

And it is a State that best exemplifies the full impact of those programs, on students and on parents, and on institutions. I especially appreciate your willingness to ask us for advice, and I hope you have found the report of our higher education community helpful.

But most of all, I appreciate your patience, for you must be as puzzled as we are about why this conversation is going on. You asked us to spend several months examining the basic questions for the reauthorization bill of 1985. And we have done that through the committees that have appeared before you and will continue this afternoon.

And yet, here we are again today, spending all of our time defending against a savage assault a program that we have spent 20 years crafting. That is certainly puzzling to those of us who care about the program, and help administer it. It must be especially puzzling to the two of you, who have spent the better part of your congressional careers crafting this program.

It is indeed frustrating to have the administration's budget proposal and, with it, the cynical and gratuitous comments of the Nation's new Chief Education Officer so occupy our attention, when we really ought to be getting on with the task of fine tuning, of eliminating the abuses, and of making better a sound program of aid to students.

Why is it that this deja vu occurs? It certainly is not because we all did not work carefully to craft it. Going back to the hearings 20 years ago that perfected a national commitment to access as a Nation's contribution to higher education, parents, States, institutions were left with the delivery, but the Federal Government said it would support access.

It is not because it is not working. Goodness knows the evidence is clear that it is working masterfully. And it is not because we have not fine tuned it and perfected it along the way.

As Senator Stafford noted in his opening comments this morning, we did correct what many of us thought was an inappropriate absence of a cap on GSL 4 years ago. The value of that today is $1.5 billion. And we continue, as these hearings indicate, to want to perfect it for the future.

And it certainly is not because the costs of the programs have not been contained. There is no automatic indexing for Pell grants. There is nothing at all like automatic cost-of-living index increases, as for Social Security, or military pensions

You heard Don Vickers this morning comment that the value of the Pell grants has dropped 21 percent in the last 4 years. I have to conclude it is philosophical. I have to conclude, as you have, gentlemen, and as several of us noted 4 years ago, that there is an effort to repeal the national commitment to access.

When we said that in 1981, Ted Fiske reported, in the New York Times, that Secretary Bell said that was not the case. But Mr.

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Stockman then said otherwise. He said then that, if people want to go to college badly enough, then there is opportunity and responsibility on their part to finance their way, to do the very best they can.

Now we hear the chief school officer joining that voice, and I simply encourage and urge you, in the 5 brief minutes I have before you today, to help us all confront the philosophical question, fine tune and perfect a program that genuinely works.

In conclusion, I do have data, gentlemen, on the effect on the University of Vermont, which I will submit for the record, and should you wish, be happy to comment on in any way you would like.

Senator STAFFORD. Thank you very much, Dr. Coor.

We will, without objection, place the data you mentioned in the record, so that we can study it in Washington.

We are very grateful to you for your participation in the preparation of recommendations with respect to the Higher Education Act, and I share your surprise, I guess, would be the word, that instead of devoting these 2 days to discussing how we could improve the Higher Education Act, for the next few years, we have willy-nilly been forced to turn to defending the array of college assistance programs for students, because of the sudden, I think, change of attitude in Washington over the last couple of years.

I do not have any questions at this time. I simply want to express appreciation to you for what you have done to help us.

[The prepared statement of Dr. Coor follows:]

Testimony of
LATTIE F. COOR
President of The University of Vermont

Hearing of the U. S. Congress
on Reauthorization of the Higher Education Act of 1965

South Burlington, Vermont
Friday, February 15. 1985

I want, first, to express to Senator Robert Stafford and to Congressman James Jeffords my personal appreciation for returning to the State of Vermont to begin hearings on the reauthorization of the Higher Education Act of 1965. I appreciate as well your willingness to ask the members of the Vermont Higher Education Council for help in shaping this important legislation. The colleges, schools, and universities that make up the Vermont Higher Education Council are indeed a microcosm of higher education, for we represent both public and independent education, both vocational education and education in the arts and sciences, education at the undergraduate and graduate levels, and education for traditional students who have just completed high school and for non-traditional students returning to education after a period of years. Here, in Vermont, you are finding the full range of experience in higher education, so that you will be able to address the full range of problems for institutions and their students.

It is particularly appropriate that you, Senator Stafford, and you, Congressman Jeffords, are holding this hearing jointly, for you represent the most important voices on education in the Congress today. You have been the architects of a superb program of federal support for higher

education. I marvel at your patience--not merely over two days of hearings, but more so over assaults that are being made on so well a crafted structure of assistance to higher education on behalf of national interests. You have come here to ask our advice on reauthorization of the Higher Education Act, but your attention and ours have been drawn away by the Administration's budget proposals before the Congress--budget proposals that would have a devastating impact on that structure of support. It is difficult for us to fix our attention on the issue of reauthorization for federal programs of student financial assistance, for we are appalled by cynical and gratuitous comments about those programs from the nation's new chief education officer.

Why is it that the federal student financial assistance programs have been targeted in such a way? It cannot be because the programs were put together in a haphazard fashion. They were carefully crafted over twenty years under the leadership of such individuals as Senator Claiborne Pell, former Congressman and now Senator Paul Simon, Representative William Ford, and, of course, Senator Robert Stafford, and Congressman James Jeffords. It cannot be because the programs work poorly. They have performed masterfully. Through successive reauthorizations of the Higher Education Act of 1965, these programs have been fine tuned, and this latest reauthorization will fine tune them further. It cannot be that the financial aid programs lack controls within them. They do not have the kind of automatic indexing that one finds in the Social Security system or in military pensions. Indeed, in the years from 1981 to 1985, the value of such programs as the Pell Grants has not kept pace with inflation.

I believe that the opposition to these programs is philosophical or ideological. It is a repeal of a national commitment to providing access to higher education, public and private, for all American youth. It is a condemnation of a generation of students.

I want to concentrate my focus on the impact that the Administration proposals would have on the students of my institution, The University of Vermont. In doing so, I want to express my personal thanks to our Director of Financial David Coseo, who has analyzed the probable impact of the proposed changes in federal student financial assistance programs on our own students.

Currently, students at The University of Vermont are receiving approximately $17.8 million in Federal financial assistance, including Guaranteed Student Loans. Under the administration's proposals this aid would be reduced to $8.2 million. This 54% reduction of our Federal financial aid resources will affect over half of our total aid population of 3300 students.

Of the 2080 Vermont students currently receiving campus-based financial assistance, 665 or 32% would no longer be eligible for any Federal aid while an additional 218 would lose some aid. Of the 1220 out-of-state students receiving campus-based financial assistance, 757 or 62% would no longer be eligible for any Federal aid while an additional 300 would lose some aid.

A total of 1750 Vermont students and 1180 out-of-state students would lose $1,369,000 in SEOG funds. The average award loss would be approximately $500 per student.

With regard to the Guaranteed Student Loan program, the administration's proposal to limit eligibility to adjusted gross incomes below $32,500 would eliminate 2765 or 67% of our current undergraduate borrowers. The total amount of Guaranteed Student Loans lost due to this restriction would be approximately $7,000,000 which represents 66% of the current total $10,700,000 undergraduate borrowing under the GSL program. Vermont borrowers would lose $2,721,328, while 1503 out-of-state borrowers would lose $4,320,240.

Under the proposal of using the PLUS loan to replace the Guaranteed Student Loan for those students whose parents have adjusted gross incomes above $32,500, a student who borrows $2,500 under PLUS in each of his/her undergraduate years would be required to pay approximately $200 in interest per month while in school during the senior year.

The proposed $4,000 annual maximum cap will have a profound effect on our out-of-state students due to the packaging of full Guaranteed Student Loans in their awards. After $2500 of Guaranteed Student Loan and $1400 of Work-Study, we would only be able to package an additional $100 in National Direct Student Loan provided the student was not entitled to Pell. An out-of-state student receiving the maximum amount of Federal aid this award year, including the full Pell Grant of $1,900, would lose $2,750 in Federal aid under the administration's proposals of

a $4,000 maximum cap. The Vermont student in a similar situation would lose approximately $800 in Federal aid authority. This impact of course, falls on those who remain after we have reduced our aid population by over 1400 students due to the $25,000 adjusted gross income cap for campus-based aid.

Those are some of the financial consequences of the Administration's budget proposals for student assistance programs, but let me tell you some of the educational consequences that would occur here at The University of Vermont.

The structure of our undergraduate student population would change. More Vermont residents choose to attend Vermont's state university rather than going to an independent college in Vermont or a public or private university in another state. Fewer students would come to this University from other states, because they would lack the financial means or support to do so. A larger proportion of Vermont residents coming to this University would come from lower income families, while students coming from other states would be the offspring of wealthy families. The children of the middle class in Vermont and in other states would find their choice and sometimes their access to higher education limited.

Senator STAFFORD. Jim?

Mr. JEFFORDS. I certainly share in your comments, Senator, I wonder if you would, perhaps, briefly give us the broad impact that such a shift in the Federal program would have on the University of Vermont, and perhaps, to other more private institutions in the State.

Dr. COOR. Let me share it briefly, Congressman. In some ways we serve as an interesting microcosm ourselves, because half our students, as you know, come from Vermont, paying a high tuition, because this State, despite a very substantial effort, cannot provide the full funding that is typical of a State university elsewhere. Half our students come from away, paying what would in effect be a private institution tuition. So you can see the balance of the picture on both instances.

Therefore, our experience may shed some light on how these proposals will be visited upon high cost and relatively lower cost institutions elsewhere.

Currently there is $17.8 million in Federal student assistance held by UVM students, $10.7 million of that is in the guaranteed student loan.

The administration's proposals of a week ago would cut that $17.8 million to $8.2 million—a 54-percent reduction. The effect of that would be to touch over half of the 3,300 students on financial aid—1,400 would lose all eligibility for aid.

Let us look briefly in the summary of campus-based aid, which you will be treating this afternoon. We have 2,080 Vermont students who currently are receiving campus-based aid. Thirty-two percent, or 665, would no longer be eligible under the administration's proposals, and another 218 would lose some of that campus-based aid.

We have 1,220 out-of-State students receiving campus-based aid. Sixty-two percent, or 757, would no longer be eligible, and another 300 would lose some aid, so that over 80 percent of those students, at what you could consider the private institution price, would lose some form of aid—two-thirds losing it all.

The GSL cap is the one I find most invidious, because these are families that are not asking for something for nothing. They are asking to borrow and to work so that they can attend college. Sixty-seven percent of our current GSL recipients, or 2,765 students would no longer be eligible.

The total value of those loans, where eligibility with that $32,500 cap obtains, would be $7 million, or 66 percent of the total.

And you heard this morning that those may be called in some quarters middle income students, but you heard what those students look like. In our parlance, they are students from families who are committing themselves to a no frills education.

With regard to SEOG, we estimate that 2,930 students would be affected, losing an average of $500 a student, for a total of $1.4 million. Finally, the $4,000 cap, for the student who borrows the $2,500 GSL, and has $1,400 in work study would leave $100 of eligibility left. That means that the current student profile would suffer a loss, for those out-of-State students, of $2,750 per student, just by that cap alone.

And for the Vermont student, the loss would be $800 per student.

Mr. JEFFORDS. Let me ask a philosophical question regarding the Federal role. I would also like to get your views on the fact that Vermont, which is about 37th in actual per capita income, and near the bottom, 46, 47, in States with respect to adjusted per capita income, as to what the Federal role should be, not only in access, but in assisting the less fortunate States that had not shared in the Nation's prosperity. Is this an important function in your mind, as an educator of the Federal Government?

Dr. COOR. Absolutely, and that to me is the genius of the combination of programs that make up the Federal role. It not only provides a balance wheel as between lower cost and higher cost institutions, but it also provides a valuable balance wheel as between States that are wealthy and those that are not.

As you heard these parents here today talk about effort on their part that preceded the receipt of Federal funds, you know, as we all do, that Vermont has one of the largest commitments to student financial aid per capita, and as a proportion of its total general funds, of almost any State in the Nation.

I believe we rank second in the Nation in the relative effort of a commitment that is honorably reached, and yet, without the constellation of Federal programs, neither the public nor the independent sector, even with that commitment in Vermont, could make the balance wheel work.

A question you addressed earlier to Ron Iverson or one of those on the panel this morning was "Could Vermont do more?" The State of Vermont already dedicates a significant fraction of its general fund to higher education. It would only be able to do more if it altered its commitments to other programs. That does not seem to us to be a fair part of the partnership that we all agreed to 15 or 20 years ago, as we as a State, and we as institutions, set up our own financial aid programs.

Mr. JEFFORDS. Thank you very much. I think it is important to emphasize that second part of the philosophical aspect here, which we may not focus on when we get to Washington, but we certainly should focus on it here.

Dr. COOR. I guess that is the part that bothers me most. I realize Mr. Bennett has received a lot of lumps today, and I have been among them. The ease with which phrases like welfare cheats and stereos, get imbedded in peoples' minds, betray the fact that we are talking about programs here that are not giveaways. We are talking about programs here that require the families to make a substantial effort, the students to make a substantial effort, by working and by borrowing. All we are really asking is that the aggregation of that support, in a partnership between family, institutions, State and Federal Government, be able to sustain a commitment, for people can work, and can borrow and still make it possible.

The unfortunate part of flip remarks like Mr. Bennett's, is to suggest that we have got a vast number of people out there getting charity from the Government, and it does not accurately portray what has been a carefully crafted, a multiple contribution program.

Senator STAFFORD. Dr. Coor, I was going to ask you as a final question, realizing the university, while small by some of the Midwestern ones, is still a very large institution. And recognizing that you have many duties as its president, are you aware of any series,

or practice of abuses, such as those described by Mr. Bennett, extravagances and expenditures, long vacations, cars, stereos, and so on, from students who are recipients of the array of college assistance, attending the university?

Dr. COOR. No, and I have had occasion over the years, as every fall the flurry of stories comes forward, to be amazed at the array that repeat themselves, of the students, from next door, that the family knows. To show you how long those stories go, they started with the idea that they came to town with a new Mustang convertible. So those have been going on for a long time.

The answer, Senator, is no. We require the front page of the 1040 form for eligibility. Now, if people are cheating, they are also acting illegally.

I thought the observation made by the panelist from Marlboro College was particularly helpful. Indeed, in any system, as we know from our discussions of tax reform right now, there are those who do not have the full weight of the burden visited upon them as the rest of us do.

But, except for things that are a result of policies outside, I do not know of such abuses. The experience in our financial aid office, I believe attested by our officers there, is that the process works. The scrutiny is given, and individuals within those rules act fairly, and are not taking advantage of the system.

Senator STAFFORD. Thank you very much.

Unless this appeared to be a broadside attack on the administration and education, maybe we should indicate that while we thoroughly disapprove of the cuts that are proposed by caps in higher education, at least I am sure Congressman Jeffords and I do, that we recognize the administration has proposed level funding in elementary, secondary education, title I, for disadvantaged, and level funding for aid to handicapped children in education, under the program known as 94–142.

So we are targeting our hearing on the area where we think the damage is being done.

Thank you very much, Dr. Coor.

Dr. COOR. Thank you very much.

Senator STAFFORD. And now, we have concluded the morning's hearing somewhat earlier than we had anticipated, and your committees had considered maybe starting earlier this afternoon, but we are advised that some of the people who are key witnesses this afternoon are not here, and will not be aware that we are starting early, so we are going to stick with our timetable, and that means the committee will be recessed until 1:30 p.m. in this room.

[Whereupon, at 12:10 p.m., the joint committees recessed, to reconvene at 1:30 p.m., the same day.]

AFTERNOON SESSION

Senator STAFFORD. We are about to resume the joint committee hearing, and we would ask our guests and witnesses who are sitting in the audience if they would take seats so that we can get started in an orderly fashion.

The first panel I see has already gotten themselves in position, so we are ready to go, right on time, which is what the Senator from

Vermont and the Congressman from Vermont like. This will be a TRIO programs panel consisting of Timothy Wick, representing Talent Research Program, director, Outreach Programs, Vermont Student Assistance Corp.; Howard Parrotte, former talent search student.

From the University of Vermont; Jack Anderson, representing Upward Bound Program, director, Upward Bound Program, Johnson State College; Wally Robinson, former Upward Bound Student, Johnson State College; Susan Davidson, representing Special Services for Disadvantaged Students, director of students, Johnson State College; and Rhonda Chesney, present special services student, Johnson State College.

Since everybody is in place, and you know, since you were here this morning, we are giving you a one tap of the gavel at 4 minutes, and two at 5 minutes, and at that point the chairman is going to ask you to conclude your remarks, if you are not finished.

We repeat that if you have a statement that runs over 5 minutes, all of it will be placed in the record as if read, so that staff in Washington and members in Washington, who cannot be here, will have an opportunity to examine your full statement.

Having said that, if Sister Ryan is ready with the gavel, Mr. Wick, why don't you lead off?

STATEMENT OF TIMOTHY C. WICK, REPRESENTING TALENT RESEARCH PROGRAM, DIRECTOR OF OUTREACH PROGRAMS, VERMONT STUDENT ASSISTANCE CORP.; HOWARD [TINKER] PARROTTE, FORMER TALENT SEARCH STUDENT, UNIVERSITY OF VERMONT; JOHN ANDERSON, REPRESENTING UPWARD BOUND PROGRAM, DIRECTOR OF UPWARD BOUND PROGRAM, JOHNSON STATE COLLEGE; WALLY ROBINSON, FORMER UPWARD BOUND STUDENT, CURRENT UPWARD BOUND STAFF, JUNIOR AT JOHNSON STATE COLLEGE, VICE PRESIDENT OF STUDENT ASSOCIATION, JAMAICA, VT; SUSAN DAVIDSON, REPRESENTING SPECIAL SERVICES FOR DISADVANTAGED STUDENTS, DIRECTOR OF STUDENT SERVICES, JOHNSON STATE COLLEGE; AND RHONDA CHESNEY, PRESENT SPECIAL SERVICES STUDENT, JOHNSON STATE COLLEGE

Mr. WICK. Thank you.

I would like to thank the committee for giving me the opportunity to comment on TRIO programs and their impact on Vermonters. I hope the comments of this panel will have some impact during both the budget and reauthorization process.

Today you have heard numerous recommendations and comments on financial aid programs under title IV. However, many students need more than financial assistance in order to attend and complete college. They also need information and counseling services. Many students often need tutoring and academic support, as well, while attending both high school and college. Congress recognized the importance of the relationship between financial aid and informational and tutorial services, hence TRIO's location in the title IV legislation.

There are currently nine TRIO programs in the State, serving 3,046 Vermonters. There are three Upward Bound Programs, five

Special Services Programs and one Talent Search Program. All of these programs serve low income, first generation Vermonters, whose ages range from 14 to 60 years old. I will limit my remarks to the Talent Search Program which VSAC administers, and my fellow panelists will address the other programs.

The intent of talent search is to assist disadvantaged young people and adults in their efforts to pursue postsecondary education. The Vermont program is known as Outreach and is now in its 16th year of operation. The program serves all of the State's public secondary schools, and many of the agencies working with adults. During the current year the program will offer counseling to over 2,000 Vermonters. In addition, over 3,000 individuals will receive informational services, such as mailings, postsecondary and financial aid information and follow-up telephone calls. Outreach counselors live in various geographic regions throughout the State, and have regular contact with secondary students and adults that are referred to the program by schools and agencies. The counselors work with these individuals to help them set goals, gather career information, choose schools and obtain financial aid.

One might ask, "why is this program needed." In Vermont, like many other States, school guidance counselors are overburdened with responsibilities. They simply do not have the time to give every student encouragement and support, or to help develop student career plans. Unfortunately, it is often the disadvantaged but academically able students that fall through the proverbial "cracks." The information and services that these students receive from Outreach often makes a critical difference in the direction of their future.

Adults often have an even greater need for Talent Search services. Low income or unemployed adults usually do not know where to turn when they wish to go back to school to improve their skills. The Outreach counselors help this population choose fields of study, select colleges, and apply for financial aid.

Another question that one might ask is "does the program work." The answer is a resounding yes. During the last 5 years the continuation rate, which is actual enrollment, for Outreach seniors has been in the 71- to 74-percent range, while the rate for the general population has been 48.2 to 54.1 percent. When one considers the fact that many of the Outreach participants could have ended up in a subsidized situation, such as unemployment, ANFC, et cetera, the $97 that it costs for each participant seems like a good investment.

During the past year there has been a great deal of publicity regarding the quality of education, or lack of it, in the United States. Talent search and the other TRIO programs have proven that they help students, to not only gain access to college, but to complete it successfully as well.

However, the administration's budget recommends eliminating talent search, and phasing out the special services, leaving only the Upward Bound Program. This would result in 145 Vermonters receiving services through the programs compared to the 3,046 that are currently served. It is also important to point out that Nationwide only 11 percent of the eligible population is being served with the current level of funding for TRIO.

My sole recommendation to the committee is to increase the authorization level of TRIO to $450 million for fiscal year 1987, $500 million for fiscal year 1988, $550 million for fiscal year 1989, and such sums as necessary thereafter.

I thank you for the time to make my thoughts and comments known to the committee.

[The prepared statement of Mr. Wick with attachment follows:]

Statement of

Timothy C. Wick

Director of Outreach Programs
Vermont Student Assistance Corporation

Before the

Subcommittee on Education, Arts and the Humanities
Committee on Labor and Human Resources
U.S. Senate

and

Subcommittee on Postsecondary Education
Committee on Education and Labor
U.S. House of Representatives

February 13, 1985

Mr. Chairman and Members of the Subcommittee:

My name is Tim Wick and I am Director of Outreach Programs at Vermont Student Assistance Corporation. I would like to thank the committee for giving me the opportunity to comment on the TRIO programs and their impact on Vermonters. I hope the comments of this panel will have some impact during both the budget and reauthorization process.

Today you have heard numerous recommendations and comments on the financial aid programs under Title IV. However, many students need more than financial assistance in order to attend and complete college. They also need information and counseling regarding college and career choice. Many students often need tutoring and academic support as well while attending both high school and college. Congress recognized the importance of the relationship between financial aid and informational/tutorial services; hence TRIO's location in the Title IV legislation.

There are currently 9 TRIO programs in the state serving 3,046 Vermonters. There are three Upward Bound programs, five Special Services programs, and one Talent Search program. All of these programs serve low income first generation students whose ages range from 14 to 60. I will limit my remarks to the Talent Search program which VSAC administers and my fellow panelists will address the other programs.

The intent of Talent Search is to assist disadvantaged young people and adults in their efforts to pursue postsecondary education. The Vermont program is known as Outreach and is now in its sixteenth year of operation. The program serves all of the state's public secondary schools and many of

the agencies working with adults. During the current year the program will offer counseling to over 2,000 Vermonters. In addition, over 3,600 individuals will receive informational services such as mailings, post-secondary and financial aid information, and follow-up telephone calls. Outreach counselors live in various geographic regions throughout the state and have regular contact with secondary students and adults that are referred to the program by schools and agencies. The counselors work with these individuals to help them set goals, gather career information, choose schools, and obtain financial aid.

One might ask, "Why is this program needed?" In Vermont, like many other states, school guidance counselors are overburdened with responsibilities. They simply do not have the time to give <u>every</u> student encouragement and support or to help develop student career plans. Unfortunately it is often the disadvantaged but academically able students that fall through the proverbial "cracks". The information and services these students receive from Outreach often makes a critical difference in the direction of their future.

Adults often have an even greater need for Talent Search services. Low income or unemployed adults usually don't know where to turn when they wish to go back to school to improve their skills. The Outreach Counselors help this population choose fields of study, select colleges, and apply for financial aid.

Another question that one might ask is "Does the program work?" The answer is a resounding YES. During the last five years the continuation rate (actual enrollment) for Outreach seniors has been in the 71%-74% range, while the rate for the general population has been 48.2%-54.1%. When one

considers the fact than many of the Outreach participants could have ended up in a subsidized situation such as unemployment, AFDC, etc. the $97.00 that it costs for each participant seems like a good investment.

During the past year there has been a great deal of publicity regarding the quality of education or lack of it in the United States. Talent Search and the other TRIO programs have proven that they help students to not only gain access to college, but to complete it successfully as well. However, the Administration's budget recommends eliminating Talent Search and phasing out the Special Services, leaving only the Upward Bound program. This would result in 145 Vermonters receiving services through the programs compared to the 3,046 that are currently served. It is also important to point out that nationwide only 11% of the eligible population is being served with the current level of funding for TRIO.

My sole recommendation to the committee is to increase the authorization level of TRIO to $450 million for FY 1987, $500 million for FY 1988, $550 million for FY 1989, and such sums as necessary thereafter.

I thank you for the time to make my thoughts and comments known to the committee.

(1)

OUTREACH PROGRAMS

Two Major Programs that Serve the Entire State:

- Secondary School Program

  Last year 1,191 disadvantaged high school students from all of the state's high schools received counseling and informational services.

- Adult Program

  Last year 1,121 adults living throughout Vermont received counseling and informational services.

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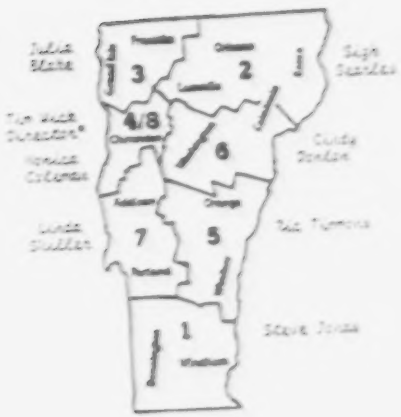
(2)

Services are offered by eight Outreach Counselors living throughout the State.

Outreach Staff
or
1984-85 Outreach Regions



(3)

Secondary School Program

FY 84 Information

Counseling sessions in school	9,104
Home visits	383
Students participating in group presentations	3,358
Telephone contacts with students & parents	3,243
Informational mailings	2,002

76% of clients are first generation - low income
18% are low income
6% are first generation or other
71% have family incomes under $10,000

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(4)

Secondary School Program

GOALS

- To encourage low income/first generation high school students with academic ability to continue their education beyond high school.
- To supplement guidance services in high schools.
- To save the State and Federal Government money in the long run.

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(5)

Secondary School Program

OUTCOMES

- 71% of Outreach participants enroll immediately after high school graduation.
- Outreach resources and counseling programs are used in many of the state's high schools.
- Education and skill development results in participants ultimately contributing $ to State and Federal Government rather than costing additional $.

(6)

Adult Program

FY 84 Information

Counseling sessions with adults	1843
Telephone contacts with adults	2712
Informational mailings	1466

32% are male, 68% are female
81% are single
60% are unemployed
64% of the females are single heads of households
58% have annual incomes under $5,000
20% have annual incomes between $5,000 - $10,000

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(7)

Adult Program

GOALS

- To assist adults who wish to enter or reenter postsecondary education by offering them counseling and informational services.
- To disseminate information on postsecondary schools and financial aid to agencies serving adults.
- To save the State and Federal Government money in the long run.

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(8)

Adult Program

OUTCOMES

- 48% of the adults receiving counseling enroll in postsecondary education.
- Adults receive objective information on educational opportunities.
- Once adults enroll and subsequently graduate, they become more productive and motivated regarding work.

9

DECISION 16 WORKSHOP FOR SENIORS

95 students from throughout the State.

- Stay overnight on 4 campuses in the Burlington area.
- Attend classes.
- Meet with college reps from 14 Vermont schools.
- Discuss college life with students & faculty.

10

Other Outreach Services

Adult Workshops on College Readiness

Workshops for 8 - 15 adults that meet weekly to cover the following:

Session 1: Self-awareness and assessment
Review interests - abilities - values

Session 2: Decision-making and risk taking

Session 3: Goal setting and career information

Session 4: College survival skills I:

College student terminology and support services
Assertiveness training and questioning styles

Session 5: College survival skills II:

Study skills

Session 6: Financial aid information and plan formulation

11

Other Outreach Services

Middle School Presentations

- Emphasize availability of financial aid.
- Present postsecondary options.
- Informs students of the concept of tracking.
- Encourages use of guidance and career resources.

12

Other Outreach Services

- Financial aid follow-ups.
- Sophomore and junior workshops.
- Home visits.
- Workshops and presentations on financial aid, career decision-making and postsecondary options.

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Program	Special Services for Disadvantaged Students	Talent Search	Upward Bound
Location	Community College of Vt. Johnson State College Southern Vt. College University of Vermont Castleton State College	Vermont Student Assistance Corp.	Johnson State College Lyons State College Castleton State College University of Vermont
No. of Clients Served and Total Number of Participants	1,404 Total of all three programs: 2,000	1,000 Total of all three programs: 2,000	1,400
No. of Graduates Currently Served	80 Total of all three programs: 175	1,000 Total of all three programs: 175	175
Budget (1982) Federal $	$525,000 Total of all three programs: $1,050,000	$525,000 Total of all three programs: $1,050,000	$525,000
Number of Staff	Full-time: 15 Part-time: 15 Total of all three programs: 30	Full-time: 15 Part-time: 15	Full-time: 4 Part-time: 12 Vol. Assist.: 40 Vol. Tutor: 50 Part-time: 4
Services Offered	Personal counseling Academic counseling Academic advising Career counseling Tutoring Information & referral Financial aid counseling Cultural activities Career exploration Job placement Graduate school counseling Assistance with graduate school applications Graduate school information	Information & counseling regarding post-secondary programs, their admissions requirements & financial aid available. Career interest testing. Career exploration & academic advising.	Basic skills instruction, personal counseling, tutoring, academic advising, career exploration & assistance in applying to college & for financial aid. Students usually spend 6 weeks on a college campus during the summer receiving the above services and attending weekly cultural events/activities. Senior students also attend a 1-day career field trip.
Historical Purpose	Low income, first generation and physically handicapped students, primarily rural, primarily whose educational and cultural background have impeded their ability to successfully pursue and complete either secondary or post-secondary education. People used to be to have benefited from these programs.		
Goals	To identify qualified high school students and adults from low-income families who are in the first generation in their family to attend college, to prepare these individuals for post-secondary education, to provide special supportive services for them while they pursue programs of post-secondary education, and to help high school students acquire skills and motivation to stay in high school and pursue post-secondary education. In order to facilitate their primary goals, the training of persons serving or preparing for service in programs and projects is designed to also emphasize.		
Results	High retention and continuation rates with a high-risk population.	1% of program participants enroll in some form of education beyond the secondary level. Low secondary dropout rates (less than 5%).	About 70% of participants enroll in some form of education beyond the secondary level. Low secondary dropout rates (less than 5%).

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Senator STAFFORD. Thank you very much, Mr. Wick, for joining with us today, and counseling both of our committees, as you have.

Mr. Parrotte.

Mr. PARROTTE. Thank you.

My name is Howard Parrotte, but I prefer to be called by my nickname, Tinker. I am from the small town of Roxbury, VT. I went to elementary school in Roxbury, and attended Northfield Junior-Senior High School, both of which are located in Washington County. I am presently a student at the University of Vermont.

While in high school I worked with a guidance counselor off and on. She helped me choose my classes, and explained the significance of each. She convinced me to take my PSAT's, SAT's and ASVAB's, and upon viewing my scores on these tests, along with my academic record, she referred me to an Outreach counselor, who was Cindy Donlon.

I was referred to Cindy at the beginning of my junior year because I had the academic potential for college, but my family and I lacked the money needed for a complete education.

I would like to tell you about the importance of my experience with Outreach and Cindy during my junior and senior years.

During the fall of my junior year I filled out several worksheets to help me better understand what I wanted to do during college. These worksheets included sections such as hobbies, academic interests, and courses I was taking. We also discussed my freshman and sophomore grades, and how they compared to my SAT scores.

It was during this time that we discussed college budgets, and how they would affect me, the first in my family to go on to college. Cindy was always positive, and I learned to trust her. She convinced me that college was possible, despite my apprehension about financial difficulties of attending.

During the winter, Cindy showed me how to use various resources and catalogues of schools. She did not let me limit my choices, but on the other hand, she did not let me think about too many schools. She helped me to be realistic, and did not let me think about schools that were too expensive, too big, or whose admissions standards were too rigorous. Factors such as these allowed me to quickly narrow my choices, and eliminate those schools that were unwanted.

I also contemplated military schools with ROTC programs, so Cindy gave me background material on those schools. This time period was especially helpful to me, because of her knowledge of many schools. It was faster and easier to ask Cindy a couple of questions about colleges than it was to look them up in the catalogues. Her details were also more complete than the books.

During the spring Cindy and I talked about the guidance office resources. She reminded me how to use these catalogues. I also filled out worksheets on occupations and specific job areas. In order to do so, I did extensive work with these resources, so that I would find the right answers.

The last meeting of my junior year was set up so that I could ask a series of questions, and give comments about college. This meeting was a review of the year, as well as a preview of my senior year.

During the fall of my senior year, Cindy and I discussed some of my college priorities. I limited my choices based on school size, location, costs, entrance standards and reputation. I was worried about college, but Cindy assured me that I could transfer, or change my major, if I so desired.

Cindy gave me the names and addresses of people to see and contact for interviews at St. Michael's College, Norwich University and the University of Vermont, which were my three top choices. It was at that time that we went over the importance of interviews, and the processes involved. She encouraged me to feel confident, and assured me that I would do just fine. I did.

The winter of my senior year was a very hectic and scary time for me. Thank goodness, Cindy was there to help me out. She met with my parents twice—once at school to begin the financial aid application process, and once at home, to review what we had been doing. She informed my parents of the decisions I had made, and what I should be doing before entering college. Most importantly, she explained the significance of the deadlines.

During the spring of my senior year, we discussed my scholarships and financial aid awards. We also discussed my interviews with St. Michael's and UVM, as well as my plans for the remainder of the year, which included overnight stays at both schools. Lastly, we discussed my planned summer participation in the Student Enrichment Program.

The Student Enrichment Program at UVM, like the Outreach Program, was a unique experience. I became familiar with the campus, took classes, and learned many social aspects of life during a 5 week period. I was well prepared for college before I had actually entered as a freshman. I had had a head start on most of the other students.

Words cannot fully describe my experiences in the Outreach and Student Enrichment Programs, but without these vital resources, I do not believe I would be where I am today. I hope these programs can continue, so that other students will be able to benefit, just as I did.

In closing, I would like to thank the Outreach Program, Cindy Donlon, and the Student Enrichment Program for what they have done for me.

Senator STAFFORD. Thank you very much, Mr. Parrotte. Do you have some more?

Mr. PARROTTE. A little bit.

Senator STAFFORD. Go ahead.

Mr. PARROTTE. I would also like to thank you for giving me the opportunity to speak, and for listening to my story. I hope this gives you an insight to the importance and necessity of these student programs.

Senator STAFFORD. Well, it certainly has.

I notice that having mispronounced your name, I will call you Tinker from now on. [Laughter.]

Thank you very much, indeed.

Mr. Anderson?

Mr. ANDERSON. Thank you for the opportunity to present the Upward Bound Program at Johnson State College to you today. I

hope our impressive panel here does not make you too nervous, so try to relax. [Laughter.]

I am well aware of the support you both have given to education as a whole, and TRIO and Upward Bound, in particular. There have been major assaults on Federal funding for education, and you both have been firm and committed to assuring continued funding. And I for one, want to thank you for your past votes and support.

There are 440 Upward Bound Programs across the Nation, 25 in New England, 3 in Vermont. One at Lyndon State College, one at Southern Vermont College and one at Johnson State College. The one at Johnson, by nationwide standards, is small, we serve 65 to 70 students a year.

The program works with what I call the invisible students, or those who would fall between the cracks if they had not been identified by Upward Bound. They are invisible because they are not juvenile delinquents, they are not emotionally unstable, and they are not addicted to drugs. They are not even members of the basketball team, nor the cheerleading squad. They are capable students that are underachieving, never considering college nor college track courses, who would disappear into the worlds of waitressing, ski-lift attendants and part-time school bus driving.

What is the typical Upward Bound student? She comes from a single head of household of five, she is a 10th grader, neither parent has graduated from college, and the family income is about $13,000 a year. Her grades are all C's. The only positive thing we find in her record is that in her freshman year she scored 95 percent on a reading comprehension, on a national standarized test. She has no job, she does not participate in extracurricular activities at school.

What does she need? This student needs motivation, confidence building, she needs to develop better study skills. A lot of rural students need to become more assertive, and the support and encouragement that they can do better in high school and go on to college.

What does Upward Bound do to turn this invisible student into a more self-assured student? We provide them with a 7 week summer school, until the summer after they graduate from high school. And we work with her after high school, at her own high school, and on Saturdays.

We motivate and build confidence through a 2 week outdoor education program, through hiking, canoeing and rockclimbing. We develop stronger academic and study skills through an intensive academic/residential program on the Johnson campus, where every student takes two English, a math, a science and a study skills course.

We develop assertiveness by putting the student in leadership positions within the program. We give support and encouragement by the fact that we are a small program that guarantees individual attention.

We have been successful. We compare the postsecondary continuation rate of the nine schools that we worked with in northern Vermont for the past 8 years, and their average is 36 percent. The

same period of time for Upper Bound graduates, their postsecondary continuation rate is 74 percent.

I think these factors clearly demonstrate that the program is successful in placing low and modest income students into postsecondary programs that otherwise would not considered college at all. Truly, we have saved some of our most valuable resources.

Thank you.

[The prepared statement of Mr. Anderson follows:]

TRIO: UPWARD BOUND AT JOHNSON STATE COLLEGE

Testimony by John Anderson, Director
for
Joint House and Senate Subcommittee Hearings
on the Federal Higher Education Act
February 15, 1984

I. Senator Stafford and Representative Jeffords, thank you for the opportunity to present the Upward Bound Program at Johnson State College to you today.

II. I am well aware of the support you both have given to education as a whole and TRIO and Upward Bound in particular. There have been major assaults on federal funding for education and you have been firm and committed to assuring continued funding. Thank you for your votes and support.

III. The Mission of Upward Bound, as prescribed by law, is to find underachieving low and modest income high school students that given extra academic and counseling support could (1) become better high school students, and, (2) then go on to a post-secondary educational institution, graduate, and become productive citizens and pay taxes.

IV. There are 440 Upward Bound programs nationwide, 25 in New England and 3 in Vermont ... one at Lyndon State College, one at Southern Vermont College, and this program at Johnson State College. Upward Bound at Johnson State College is a small program serving 65-70 students a year.

Upward Bound at Johnson State College works with the "invisible students" or those who would fall through the cracks if they hadn't been identified by Upward Bound. They are "invisible" because they are not juvenile delinquents,

nor emotionally unstable, nor addicted to drugs, not even members of the basketball team nor the cheerleading squad. They are capable students that are underachieving, never considered college nor college track courses, who would disappear into the worlds of waitressing, ski lift attending and part time school bus driving.

V. Who is this typical Upward Bound student?

She comes from a single head of household family of 5, she is a 10th grader, neither parent has graduated from college, and the family yearly income is $13,000. Her grades are all C's, but she scored 95% in reading comprehension on a standardized test in her freshman year. She has no job and does not participate in any extracurricular activities at school.

VI. What does this student need in order to become successful in high school and college?

SHE NEEDS:

1. Motivation
2. Confidence Building
3. To develop better study skills
4. To learn to be more assertive
5. Sharper academic skills in math, English and science
6. Support and encouragement to do better in high school and go to college

VII. How does Upward Bound turn this "invisible student" into a more self assured successful student?

Upward Bound provides this student with a seven week summer school until the summer after she graduates from high school and will work with her at her high school after school and on Saturdays.

We motivate and build confidence through a two week outdoor education program that involves hiking, canoeing, and cooperative living.

We develop stronger academic and study skills through an intensive Academic/Residential Program where every student takes two English, one math, one science and a study skills course.

We develop assertiveness by putting the student in leadership positions within the program.

We give support and encouragement by being a small program that guarantees individual attention.

viii. We have been successful ... compare the post secondary continuation of the 9 target schools we serve to the graduates of Upward Bound for the past (8) eight years.

A COMPARISON OF POST SECONDARY CONTINUATION RATES

	9 Target Schools	Upward Bound 9 Yrs
1977	34%	72%
1978	34%	72%
1979	34%	77%
1980	31%	62%
1981	27%	72%
1982	28%	61%
1983	38%	73%
1984	42%	68%
	34%	70%
	(8 year average)	(8 year average)

I think this clearly demonstrates our program's success in placing low and modest income students into post-secondary programs that otherwise would not have considered college an option. Thusly, we have saved some of our most valuable resources.

Senator STAFFORD. Thank you, Mr. Anderson. You mentioned nervousness, Jim and I are not nervous, but if you were the Jack Anderson we occasionally run into in Washington, we would be. [Laughter.]

Mr. Robinson?

Mr. ROBINSON. Thank you.

My name is Wally Robinson. I am a former Upward Bound student. I am a current Upward Bound staff member. I am currently a junior at Johnson State College, and also the vice president of the Student Association at Johnson State.

I am from Jamaica, VT, and I went to high school at Leland and Gray Union High School in Townsend, VT.

Speaking before you today is one of the most exciting things that has happened to me. It gives me an opportunity to share with you the fact that Upward Bound is very important to me, and I am a strong believer in its effectiveness.

My first contact with Upward Bound was the summer of my junior year in high school. I went in shy and introverted, but the exposure to new people, and the positive atmosphere quickly led me to believe in myself.

My confidence was built up on several levels, through academics, a summer youth employment program, and peer relation groups. Upward Bound changed me from an "I think maybe I can do it student," to an "I can do it student."

By the end of the summer my new found confidence had me singing a solo in front of the Upward Bound community. I also received the "Rookie of the Year Award," for demonstrating a great deal of personal growth. My new growth transcended the summer, and showed up in several places during my senior year, and culminated in my giving a speech at graduation, just for sake of gaining the experience.

My second summer of Upward Bound helped prepare me for college. I started at Keene State College, and spent a year there, but dropped out, because I was unsure of what I wanted to do, or why. The following year I worked as a clerk in a Zayre store, cooking french fries in a cafeteria at a ski area, and finally as a lift attendant, at the same ski area. During this time I came to the central conclusion that I really did want to go to college, and that I really did not want to spend my life watching all the others do all the thinking.

I have now been at Johnson State College for 3 years, I am majoring in environmental studies, and I work as a staff member for Upward Bound.

As a staff member for Upward Bound, I have learned many teaching skills, which enable me to help other Upward Bounders to become better students.

One of the most exciting moments I can remember with the Upward Bound Program was last simmer at the rock site during the outdoor experience. I was at the top of a cliff and had to talk the students into rappelling, telling them to trust the rope and the belayer below, and most importantly, themselves. The first couple of steps are the most difficult and frightening, as with most of the challenges involved with Upward Bound. These two steps symbolize the whole spirit of Upward Bound.

With newly found self-confidence, self-trust, and commitment, Upward Bound students begin to feel good about themselves and work harder in high school, and enter college with an "I can do attitude."

This is my story. I feel that without the encouragement and support of Upward Bound I would not be where I am today. I hope Upward Bound will continue to get the financial support it needs, so other students like myself can benefit from a heightened level of self-confidence that Upward Bound strives to instill.

Thank you for listening to my comments.

Senator STAFFORD. Thank you for sharing your experiences with these two House and Senate committees. We really appreciate it, and it is a valuable experience for us to have in mind.

Ms. Davidson?

Ms. DAVIDSON. I am Susan Davidson, the director of special services programs at Johnson State College, and I have been asked by my TRIO colleagues to provide you with some information on the five federally funded special services projects in Vermont.

Senator STAFFORD. It might be well to move the mike over just a little bit, to your right.

Ms. DAVIDSON. Now can you hear me?

Senator STAFFORD. Can everybody hear?

Ms. DAVIDSON. OK.

Senator STAFFORD. All right.

Ms. DAVIDSON. During 1984–85, the Department of Education awarded our State $532,000 to operate special service projects in postsecondary institutions. Currently these projects have enrolled over 900 students. There is a remarkable diversity in the kinds of institutions in our State, who are receiving these special services grants. I am sure you are both familiar with these institutions.

The Community College of Vermont, which is a 2-year institution, helping predominantly adult learners; Southern Vermont College, which is a private, 4-year institution, with 700 very devoted students, as I am sure you know; the University of Vermont, with 7,000 undergraduates, and then two State colleges; Castleton State College, and my own institution, Johnson State College.

Now, some of these projects have been in operation for a considerable length of time. I know that UVM began its special services project in the mid-1970's, and our program at Johnson State started 12 years ago, as an experimental summer program.

I wanted to give you a profile of the kinds of students that we work with here in Vermont, because as you know, the eligibility guidelines, low income, first generation, and handicapped are identical in all States, but actually, the kinds of students who are enrolled vary greatly from region to region. The students at Johnson State are really typical, I think, of the participants throughout Vermont.

I put together a kind of composite student, and I called her Verna Vermont, because I did not want to use a real name, but she will illustrate the main characteristics of the students that I work with.

First of all, Verna is roughly the age of a typical undergraduate, perhaps a bit older, since Vermonters do delay their entry into college by a year or two, in comparison to the national average.

Verna receives no contributions from her family to pay for her college expenses. Her family earns approximately $12,000 per year, and by the end of her freshman year Verna will have declared financial independence. She will need, because her income as an independent person, will be well below $6,000. She will need almost 100 percent financial aid funding, 90 percent of the students enrolled in my program require extensive financial aid packages, Verna will have to hold down a work study job.

I really guarantee you that people, my Verna, will have neither the time nor the money to spend a lot of time on the ski slopes, they will be studying and working almost constantly.

Verna graduated from a regional high school located in one of the three poorest counties in Vermont. Her high school transcript shows below average grades, and a serious deficiency in math, science and advanced English courses. Her parents are rural people, perhaps farmers, who cannot really actively encourage Verna's pursuit of a higher education.

And if Verna were a male, like one of my students last semester, her family might require her to return home from college every Thursday afternoon to milk cows for 3 days, until it is time to return to school on Sunday evening.

Now, there is a whole range of services that we need to provide to students like Verna. Many of them enter college through a summer program that provides a bridge from Talent Search and Upward Bound, into postsecondary education.

Last summer we had 65 students like Verna attending a summer program, 90 percent of them successfully completed the program, and were admitted into postsecondary institutions. The students affectionately refer to our summer program as "boot camp," but without the kind of intensive help that we give them it is unlikely that they would go on in the fall.

Here are our strategies for turning poor, underprepared high school graduates into competent, goal directed college students.

Our participants desperately need help in learning academic skills so they can succeed in college level course work. The help we give students in becoming better learners is at the heart of all special services programs.

I think you should be aware that 70 percent of the eligible students in my program fail basic skills tests in reading, writing, or math. And the students need desperately remediation, either through special course work or tutoring to bring those academic deficits up.

Eligible students receive intensive advising and counseling so that they do not drop out when faced with obstacles like homesickness or insufficient financial aid.

Our staff works closely with faculty members to inform them of special problems facing program participants. We attempt to motivate students by making them active members of the college community, and by drawing upon their nonacademic strengths. We too have rock climbing in our summer program, and all of those things.

Also, eligible students hold work study jobs in our program, and they help other eligible students. Last year we employed 27 program participants as summer staff, tutors, computer programmers

or office assistants, and these older students are the best advertisements to freshmen about what they can achieve in college.

We also help eligible seniors to pursue advanced degrees.

Senator STAFFORD. Could you summarize here?

Ms. DAVIDSON. Sure I can. I just wanted to say, to let you know what would happen if Federal funds were cut.

Senator STAFFORD. Certainly.

Ms. DAVIDSON. I did ask the president of our college whether out of his budget he could come up with $100,000 next year to, you know, to fund our program, and he said that we are basically a title III institution, as many of the colleges are. That we have insufficient resources, and that the only way money could come would be from taking away from academic programs.

His example was to get rid of the art department, or fire some of the education faculty. So I think it is unlikely in our State that we would spend the money.

Senator STAFFORD. Thank you very much, Ms. Davidson.

[The prepared statement of Ms. Davidson follows:]

JOHNSON STATE COLLEGE
Johnson, Vermont 05656

Special Services
802/635-2356 Ext. 342

TO: Senator Robert Stafford and Members of the Joint House and Senate Sub-Committee

FR: Susan Davidson, Director of Special Services
Johnson State College

DT: February 13, 1985

RE: Hearings on the Federal Higher Education Act:
SPECIAL SERVICES PROJECTS

Below is a copy of the testimony I will present at the Reauthorization Hearings on Friday, February 15, 1985.

SPECIAL SERVICES PROJECTS IN VERMONT

I am the Director of the Special Services Program at Johnson State College and I have been asked by my TRIO colleagues to provide you with information on the five federally-funded special services projects in Vermont.

The U.S. Department of Education very kindly granted us approximately $532,000 during 1984-85 to operate special services projects which have enrolled over 900 students in the five institutions. There is certainly diversity in the kinds of institutions which have received special services grants during the last funding cycle.

1. Community College of Vermont: a two-year institution which enrolls mostly adult-learners and holds classes in elementary schools or store fronts or wherever else its staff can find space in numerous towns around Vermont.

2. Southern Vermont College: a four-year institution with about 700 devoted students which, like many other small private colleges, has survived some difficult financial times recently.

3. University of Vermont: Vermont's major educational institution which enrolls over 7,000 undergraduates

and is partly financed by the State Legislature but generates the bulk of its funds from private sources.

4. Castleton State College: one of the state schools in the Vermont College system with 1300 or more students working toward A.A., B.A. or M.A. degrees.

5. Johnson State College: my own institution, a part of the State College system, which has dramatically increased its enrollments in the last few years to over 1200 students. JSC specializes in education, fine arts, and environmental studies.

Some of these programs have been in operation for a fair length of time. I know UVM began its special services project in the mid-1970's and our program at Johnson State College started twelve years ago as a summer session sponsored by a DOE grant for experimental programs.

A PROFILE OF SPECIAL SERVICES STUDENTS

Although the eligibility guidelines (low income, first generation, handicapped) are identical for all special services programs, there is significant variation in the kinds of students which are actually enrolled in these projects from region to region. The students in my program at Johnson State are typical, I believe, of participants throughout Vermont.

Allow me to create a hypothetical student for you, named Verna Vermont, who will illustrate the main demographic characteristics of students in my program. First of all, Verna is roughly the age of a typical undergraduate, perhaps somewhat older since Vermonters tend to delay their entry into college

for at least a year after high school. Verna receives no contributions from her family to pay for her college expenses. Her family earns approximately $12,000 per year and Verna will shortly declare financial independence from her parents. Verna's own income will be under $6000. Like 90% of the other students enrolled in the Program, Verna will require a 100% financial aid package and she will have to hold down a work-study job to pay for expenses. I guarantee Verna will have neither the time nor the money to spend her Saturdays on the ski slopes.

Verna has graduated from a regional high school located in one of the three poorest counties in Vermont. Her high school transcript shows below average grades and a serious deficiency in math, science, and advanced English courses. Verna's parents are rural people, perhaps farmers, who do not actively encourage Verna's pursuit of higher education. If Verna were a male like one of my students last semester, her family might require her to return home from college every Thursday afternoon to milk cows for three days until it was time to return to school Sunday evening.

THE SERVICES WE PROVIDE TO ELIGIBLE STUDENTS

Our composite student Verna may be asked to enter college through the Prove Summer Program at Johnson State. Although the four other Vermont Special Services Projects do not offer a similar program, the Prove Summer Program includes the range of

services offered by the other colleges during the academic year. This five-week summer session also provides a much-needed bridge for Upward Bound students between their senior year programs and entry into college.

Last summer sixty-five students like Verna attended the Prove Summer Program. Ninety percent successfully completed the Program and were admitted to post-secondary institutions. Students affectionately refer to our summer session as "boot camp", but the participants frequently gain the academic skills and motivation to be successful college freshmen through the intensive service we provide. Here are our strategies for turning poor, underprepared high school graduates into competent, goal-directed college students.

1. We train participants in academic skills so they can succeed in college-level coursework. Approximately 69% of eligible students entering Johnson State College fail one basic skills test in either reading, writing, or math. Over 50% of the Freshmen in our Program fail two out of the four tests demonstrating proficiency in basic skills. Our staff remediates these skills deficits through special coursework or provides tutoring through the Learning Resource Center. The Community College offers an intensive Freshman course called Dimensions of Learning which teaches study skills through literature. UVM Special Services offers both coursework, tutoring and supplemental instruction groups in courses with high failure rates.

2. We insure that eligible students receive intensive advising or counseling so that they do not drop out when faced with obstacles like homesickness or insufficient financial aid.

3. We work closely with faculty members to inform them of special problems facing program participants and to

plan academic coursework. Last semester, for example, I teamed up with an economics professor--a talented and concerned teacher--to devise some special programs for handicapped students.

4. We strive to motivate students by making them active members of the college community and by drawing upon their non-academic strengths. For example, Special Services students operate the campus radio station during the summer and we run a mandatory three-day Outdoor Program in which students prove they can hike longer and climb rocks better than the staff members. For other students the Outdoor Program demonstrates to them that they can accomplish seemingly impossible goals with the help of others.

5. We provide eligible students with work-study jobs helping other eligible students. Last year our program at Johnson employed twenty-seven participants as summer staff, tutors, computer programmers, or office assistants. I am always pleased to announce that two of our former students now hold positions at the college: one as security director and one as admissions counselor.

6. We assist eligible seniors in pursuing education beyond the B.A. Two of our participants will be graduating this spring, getting married, and setting off together for graduate school somewhere in Florida. These students popped into our office frequently to get assistance in preparing graduate school applications.

WHAT WILL HAPPEN IF OUR FEDERAL FUNDING IS CUT TO THE FIVE SPECIAL SERVICES PROGRAMS

Only one of the five projects (University of Vermont) has a chance of surviving budget cuts. Even the UVM program, now being subsidized about 30% by the institution, could continue to exist only with modifications. The other four projects would simply die.

Why is this so?

In Vermont we do not have the luxury of appealing with any

hope of success to our State Legislature when Federal funds dry up. Our State budget has a sizable deficit and the Vermont State Colleges will be fortunate to receive an inflationary increase of 5.4%. Funding for post-secondary education has been given low priority in these times of economic stress and legislators would simply stare with disbelief if we asked for half a million dollars to offset budget cuts in Special Services.

Before these hearings, I interviewed President Gilbertson of my insitution about our chances for producing $100,000 each year from the College's operating budget to support special services. My staff works with 220 students or roughly 30% of the undergraduate student body.

The President reminded me that we are a Title III institution which is, by definition, a college with financial need. How could the Feds, he asked, expect us to match or replace funds when they have already told us we don't have enough money to run a quality institution.

Then President Gilbertson leaned back in his chair and reflected for a moment.

"Well," he said, "I suppose we could sacrifice the art department to get the money."

This is literally the choice Vermont institutions would be forced to make in the face of Federal budget cuts: cut academic programs to fund special services.

No educator views this as a viable choice--only a tragedy.

We appreciate the continued efforts our Vermont Congressmen have made on behalf of TRIO programs. Senator Stafford, Senator Leahy, and Representative Jeffords have been eloquent spokespersons for the benefits our State has derived from Special Services Grants. I think the evidence presented to you during these hearings will prove their support was justified.

Senator STAFFORD. Ms. Chesney, I guess you are next.

Ms. CHESNEY. My name is Rhonda Chesney. I am from Island Pond, VT, and am currently a senior at Johnson State College. I would like to share with you some of the experiences I have had with special services over the past 4 years.

Senator STAFFORD. Could you pull the mike a little closer, I do not know about the rest of the room, we are having a little trouble hearing you over here.

Ms. CHESNEY. OK.

I entered Johnson in the fall of 1980 as an access student. This meant I would have special guidance in choosing courses and pursuing my degree. When I entered Johnson, I was interested in commercial art. A member of the special services staff encouraged me to take an education course, as well as my art courses. I enjoyed my education class immensely and decided to pursue my new interest. I realized that commercial art was a less realistic career choice for the area I wanted to live in, and continued in the education field. I plan to graduate in December 1985 with a degree in education, and a specialization in special education.

In addition to career counseling, I also needed assistance in mathematics. This assistance came in the form of tutoring and confidence building.

Special services provided me with one-on-one tutoring in math and study skills. The math tutoring has continued through my education at Johnson. This tutoring has helped me through college algebra and the math competency exam required by the Johnson State College Education Department. These math courses, as well as my math methods course, has left me with a solid background with which to start my teaching career. I feel strongly that without the individualized tutoring and aid student services has provided me, I could not have completed my math background as it is to date. I plan on taking one more math course before I graduate.

Special services also provided me with techniques to help me manage my time better. This helped to make the transition from high school to college a smooth one, as well as making the transitions from my freshman to sophomore, sophomore to junior, and junior to senior year. I learned techniques and methods of managing my time wisely and keeping stress at a minimal level. Time management has enabled me to attend to my studies, and at the same time, participate in campus activities. These activities have included womens' rugby, hall government, the on-campus radiostation, and being a member of the senior honors suites. These activities have made my stay in college a well-rounded experience.

Two years ago special services employed me as an office assistant. Having just returned from a semester away from school, my special services counselor told me that she could keep an eye on me this way. The job helped to build my confidence, and also taught me about what goes on behind the scenes in the special services office. I was now seeing how an individual is facilitated through special services. Different programs are instituted for different individuals. Combinations of one-on-one counseling, group counseling, peer tutoring, group tutoring, career counseling, and financial aid management all assist students in their individual needs. I also realized that I was not the only special services student. I was sur-

prised to learn that special services students were dean's list students, tutors, resident assistants, and members of many clubs and branches of campus life.

Last summer I was given the opportunity to help other students as I had been helped. I was employed by special services as a summer resident assistant. Having the opportunity to be an RA enabled me to see another aspect of student services. My responsibilities included counseling and advising on both academic and personal levels.

Students in the program came from the same disadvantages as I had had. I saw many students, who otherwise would have never been able to attend college, prove to themselves that they were capable of setting goals and reaching them. These students had the opportunity to grow academically and emotionally, in a less stressful situation, before entering a regular session in college.

I almost wished that I had had the opportunity to be one of these students. I learned through the summer program that I had quite a bit of independence, and could be very self-reliant. I particularly proved this to myself as we scaled the last boulder in our outdoor experience component of the program. I came to see that I had made the transition from the kid who needed the help to someone who could aid others.

As I complete my time at Johnson, I can honestly say that special services has played a large part in my college career. I would like to feel confident that others in the future will have the opportunities and individual attention that I have received, in turn giving them the chance to prove to themselves and others that college is a positive experience worth pursuing.

Thank you.

Senator STAFFORD. Thank you very much. Your testimony, it seems to me, is unanimous and convincing, and I gather that if support for TRIO programs were cut in two, apparently as proposed, it would really be quite tragic for several thousands who otherwise could prepare for and go on to college. Am I correct in that?

I see you all are mostly nodding your heads affirmatively.

Mr. WICK. Yes. Well, actually, Senator Stafford, it means the number of students that are in TRIO programs now, I believe is 3,146, and there would only be 146 if these recommendations went through.

Senator STAFFORD. That is right. That is in your testimony, I guess.

Mr. WICK. Yes.

Senator STAFFORD. And that impressed me very much. And what you have told us today has also.

Congressman Jeffords?

Mr. JEFFORDS. I would like to ask, especially at first, the experts, the ones that are running the programs.

What is the percentage of those that there is a need for these programs are being reached presently by the programs?

Mr. Wick, first.

Mr. WICK. In Vermont?

Mr. JEFFORDS. In Vermont.

Mr. WICK. I can only speak for my one particular program, but we are serving, it varies from school to school, but on a Statewide basis, we are probably serving about 15 percent of the eligible population.

Mr. JEFFORDS. Fifteen, did you say?

Mr. WICK. Fifteen percent.

Mr. JEFFORDS. Fifteen percent.

Mr. ANDERSON. I think that in our grant application we indicated that there are probably 77 applicants, our pool of low- and modest-income people that we could draw from, for every one person that we serve, serving 65 students in 1 program, and in 2 other programs serve 50, so there would be that 155 students within the State, so I do not know what our percent is, but it would be considerably lower than the Talent Search Program.

Mr. JEFFORDS. The reason I asked those questions—I am sorry. Ms. Davidson?

Ms. DAVIDSON. Well, I would say that maybe 25 percent of eligible postsecondary students are receiving services now.

Mr. JEFFORDS. The reason I asked that question is that some of the programs which the administration would consider experimental or model are those which States derive their information and techniques necessary to develop their own programs. Now that they have proven worthwhile, the Federal Government ought to bow out, and let the State take over. I appreciate your comments on that, because that is a critical question that is asked often by the administration.

Mr. WICK. I think again I could address the Talent Search part. We are in a fairly unique situation in Vermont, in that we are housed with the State Financial Aid Agency. Most Talent Search projects are located at an institution of higher learning. I do not believe that the institutions are going to pick up that tab because of some philosophical belief that the Talent Search Program is befitting their students, and so that I think that, you know, by and large, if the funding for Talent Search was eliminated there might be a half dozen or a dozen programs which would exist in the country, compared to the hundreds that exist now.

Mr. ANDERSON. I would respond to that in a quote from a letter that came from a guidance counselor from Enosburg Falls High School, and we sent our grant in, and he said, as 1 counselor in a high school of 325 students, I do not have the time to deal with all of the problems that are there, and the Upward Bound Program helps assist him with a certain percent of students in his classroom, and I think statewide the schools have enough trouble with funding through the property taxes and the State support, that they are not going to be able to provide the services that Upward Bound would.

Mr. JEFFORDS. Ms. Davidson?

Ms. DAVIDSON. And the Vermont State College system will be lucky to receive an increase of 5.4 percent this year, and it would just be unreasonable for us to ask the State legislature to come up with a half a million dollars, you know, to fund programs like this throughout the State.

Mr. JEFFORDS. The other question we get, is also a tough one to answer. Since you serve such a small percentage of the need

anyway you are probably only serving those that would have normally made it.

So maybe I would like to ask Mr. Tinker, Rhonda, and Mr. Robinson to comment. Would you have made it, without this program? Was it a help to you? Would you have made it any way?

That is the answer we get. Those people are motivated kids. They would have made it any way, they did not need that program.

Mr. PARROTTE. I would like to say the programs help you more than you can possibly know. You have to experience them to know how they help you. They help you socially, and they help you financially. And I could have possibly made it, but there was just too much money riding on the line, and I probably would not have taken the chance. I would have probably sought employment elsewhere, before going to college, and then possibly tried to go to college. But making money from employment is so small it does not compare with financial aid.

Mr. JEFFORDS. Thank you.

Mr. Robinson?

Mr. ROBINSON. Yes, I probably would have gone to college, but I do not think I would have lasted. And also, being hired as an Upward Bound tutor resident assistant, I am working on work study eligible money, so I think that Upward Bound has helped me make a career decision, after I am out of high school. So it has helped me on both ends of the spectrum. It has given me direction before college, and it is going to give me direction after college.

Mr. JEFFORDS. Rhonda?

Ms. CHESNEY. I definitely would have gone to college. My father would have killed me otherwise. But as to whether or not I would have made it, my math skills were really deficit, and I needed a lot of help. And if it had not been for special services being there for that one-on-one tutoring, counseling and support, I would not have done it, I would have backed down a long time ago.

Mr. JEFFORDS. I appreciate that testimony. It will be helpful. Those are tough questions for us to answer.

Mr. WICK. Could I make one comment about that, as well?

Mr. JEFFORDS. Certainly.

Mr. WICK. When we present the Outreach Program, the Talent Search Program, in high schools we are very, very clear about saying to counselors, to guidance counselors, who would refer students, that we want the students who are going to really benefit from this interaction with a third party, we do not want the people that would have gone on and made it without our help, so that is the way the program is presented, in Vermont high schools. That is even in our literature that goes out to them.

Mr. JEFFORDS. That is helpful, also.

Mr. ANDERSON. I would also second that with Upward Bound, in terms of working with the guidance counselors, is that we are not looking for people that would otherwise go, but we are looking for people that would not go unless they got the support.

Mr. JEFFORDS. That is very useful information, thank you very much.

Senator STAFFORD. Thank you, Jim.

And thank you very much, all members of the panel. We really appreciate your help.

The next panel will be a panel with respect to campus-based programs.

Sister RYAN. Senator, could I advise the persons sitting behind the wall over there that there are seats up front, and you are more than welcome to come and take them?

Senator STAFFORD. If you will change seats, and people come in and leave as quietly as possible, we will try and get started with the next panel, which consists of Terry Van Zile, associate director of financial aid, University of Vermont; Eric Samuelson, student, Johnson State College; Lindy Sanford, student, Burlington College; Rev. Richard Henry, parent, University of Vermont, whose son I think has been here earlier; G. Thomas Lawson, parent, Middlebury College, who has also, I think, been here before, or is this a different Lawson?

Mr. JEFFORDS. It must be a different Lawson.

Senator STAFFORD. Well, you can assume you are related to the other Lawson, because he is a very fine fellow. [Laughter.]

And, Mr. Franzeim, is it, whose speech I have, but who is not listed on my sheet, but you are as welcome as the others, in any event. [Laughter.]

And you probably heard the rules of procedure we are using in the interest of orderly and expeditious activity here, and that is in 4 minutes you will hear a tap from Sister Ryan, and in 5 minutes you will hear two taps from Sister Ryan, and that will mean your time is up. The single tap will mean you have got a minute to go.

So, ready, set, we are ready for the first witness.

STATEMENTS OF TERRY M. VAN ZILE, ASSOCIATE DIRECTOR OF FINANCIAL AID, UNIVERSITY OF VERMONT, BURLINGTON, VT; EDWARD P. FRANZEIM, JR., DIRECTOR, GRANT PROGRAMS AND FINANCIAL AID SERVICES, VERMONT STUDENT ASSISTANCE CORP., WINOOSKI, VT; ERIC SAMUELSON, STUDENT, JOHNSON STATE COLLEGE; LINDY SANFORD, STUDENT, BURLINGTON COLLEGE; REV. RICHARD C. HENRY, PARENT OF A STUDENT, UNIVERSITY OF VERMONT; AND G. THOMAS LAWSON, PARENT OF A STUDENT AT MIDDLEBURY COLLEGE, MIDDLEBURY, VT

Mr. VAN ZILE. Senator Stafford, Representative Jeffords, I wish to thank you for this opportunity to present our recommendations for reauthorization of Title IV of the higher education amendments.

I am Terry Van Zile, associate director of financial aid at the University of Vermont, and very recently elected president of the Vermont Association of Student Financial Administrators.

We believe that the recommendations for the campus-based programs will ensure a measure of flexibility and consistency in the delivery of campus-based programs to students. The campus-based programs, which include the Supplemental Educational Opportunity Grant Program, the National Direct Student Loan Program and the College Work-Study program, must maintain their distinct identities to more fully meet the needs of individual students.

Some of our technical recommendations are as follows: The supplemental educational opportunity grant, limit access to supplemental educational opportunity grant, funds to only undergraduate

students. We are concerned that if funds were made available to graduate students, the funds available to undergraduate students would be considerably diminished.

Eliminate the division between the initial year program and the continuing year program. This would eliminate an unnecessary administrative burden which benefits no one.

Increase the annual grant limit from $2,000 to $3,000. This is to allow institutions to award students a reasonable level of grant funds in proportion to the students 'self-help obligations.

Eliminate the $200 minimum grant which does not serve any useful purpose to the student or the institution.

The College Work-Study Program, maintain the current minimum 20 percent matching requirement as a condition of awarding work-study funds. We believe this level of matching requirement encourages participation in the program, and does not place an unrealistic financial burden on the institution.

We recommend the elimination of the Job Location and Development Program in its present form. We believe this program provides a valued service in assisting nonfinancial aid recipients find part-time employment; however, this service should not be at the expense of the College Work-Study Program.

We do not recommend the inclusion of the private, for-profit sector in the participation of the Work-Study Program. We believe that tax dollars should not be used to give competitive advantage to private enterprise.

Finally, we recommend that institutions continue to be required to pay at least minimum wage.

The National Direct Student Loan Program. Since the purpose of the NDSL Program is to assist needy students to meet their educational costs, we recommend that interest rates continue at a rate lower than the GSL Program. In addition, any efforts to raise the rate to coincide with the GSL Program would cause the NDSL Program to lose its identity and purpose.

We recommend that the grace period continue to coincide with the GSL Program for purposes of simplicity and lessening confusion on the part of the students.

With regard to the deferment of payment, again, for purposes of simplicity and lessening confusion, we recommend the same deferment provisions as the GSL Program.

We believe that institutions should be able to obtain recent addresses of delinquent borrowers through the Internal Revenue Service and the Social Security Administration. Also, the institutions should have the ability to assign defaulted loans to the Office of Education at any time throughout the year.

Under the provisions for cancellation benefits, we recommend retaining the death and permanent disability provisions, but eliminating the occupational provisions. Since occupational cancellations are not based on need, we do not feel that it is appropriate for incentives to work in a particular area should be accomplished at the expense of the student aid programs, they should be absorbed by the area being benefited.

We believe that the present loan limit of $6,000 over a period of 4 years allows sufficient flexibility, therefore, we recommend no change.

Finally, under NDSL, we recommend that the law include a provision which would allow all revolving funds to be returned to the institutions, at the very least that portion which represents the institutional contribution, should be returned in the event that the NDSL Program was ever eliminated. Each institution should have the flexibility to determine the most effective utilization of the funds.

We believe that all of the above recommendations reaffirm our belief in the need and integrity of the individual student aid programs. In addition, our recommendations have substantially preserved the current structure of support to students, which has made higher education accessible to many students who would not have been able to attend college without this financial aid support.

We fully appreciate and understand the current difficulties our national economy is experiencing. However, we believe our vision cannot be shortsighted. An investment in our young people is an investment in our economy and our culture. Any lessening of those investments will have a severe impact on the ability of qualified students to attend institutions of higher education. Our future challenges are great, but we must support all students to meet their educational goals.

Thank you.

Senator STAFFORD. Thank you very much.

I think the record should show that all of the evidence in front of the committee indicates the sign in front of you is in error, and it ought to read Mrs. Van Zile.

Ms. VAN ZILE. This is the second time this has happened to me recently. [Laughter.]

Senator STAFFORD. We will try to find out who is responsible. [Laughter.]

Mr. Franzeim, our apologies, you are listed here, as you should be, and you are director of Grants and Scholarship Programs, Vermont Student Assistance Corp.

Mr. FRANZEIM. Senator Stafford and Congressman Jeffords, I am Ted Franzeim, director of grants and financial aid services at the Vermont Student Assistance Corp. The grant and financial aid services division of VSAC administers all the title IV programs, including the campus-based programs, for a number of small postsecondary institutions, as well as Vermont's State Grant and Student Employment Programs. Prior to joining VSAC, I was a financial aid administrator at a Vermont college for 10 years.

It is indeed a pleasure to appear before you today to present my perspectives on the title IV campus-based student aid programs.

Over the years, the campus-based student aid programs have played a vital role in meeting the diverse individual needs of the changing student population. An indication of the importance of the campus-based and student aid programs is their impact on Vermont students. During the current academic year, almost 70 percent of Vermont students who receive a Vermont Student Assistance Incentive Grant also received some form of campus-based aid. This year, Vermont postsecondary institutions received almost $9 million in campus-based funding.

From my view, reauthorization of the Higher Education Act should focus on four primary goals: First, stability, second, ade-

quate funding, third, flexibility to best meet individual student needs and, fourth, more balance between the self-help programs, for example, loan and student employment, and grant assistance.

The student aid programs, as well as the student aid delivery system, have undergone numerous changes in recent years that has resulted in confusion and frustration for students, parents, and aid administrators. In my judgment, there is a dire need for stability in the student aid programs.

This lack of stability has made it extremely difficult, if not impossible, to adequately assess the effectiveness of the current student aid programs. I am most concerned, however, that the uncertainties resulting from this instability will discourage prospective students from seeking needed assistance, thereby making it difficult for many to either begin or to continue with their educational plans.

I endorse the campus-based program technical recommendations, which in my judgment will eliminate unnecessary administrative burdens, while maintaining the primary focus of the individual campus-based programs.

I also believe that to increase the effectiveness of the campus-based programs, the programs need added flexibility. Flexibility has been the hallmark of the campus-based programs, flexibility that permits an institution's aid administrator to put together an aid package that best meets that individual student's needs.

The Higher Education Council's campus-based recommendations expand that flexibility by permitting transferal of funds between programs and fiscal years. This added flexibility also helps ensure stability by dissipating anomalies that occur in individual programs, or due to changing student enrollments.

I also believe that the Student Aid Program should be adequately funded. I share the view that growth in Federal expenditures must be curtailed. I also believe, however, that education would be shouldering a disproportionate share of the reductions in Federal spending in view of the President's recent budget address.

Since the passage of the Middle Income Student Assistance Act in 1978, student aid, in real terms, has declined despite rapidly rising educational costs. A recent study conducted for the College Board indicated a growing concern by many families that the rising costs of a college education would be beyond the means of most Americans. The same study revealed that nearly 90 percent of those polled supported increased student aid. Surely, student assistance for higher education must become a national priority.

Last, I believe we must examine the balance between the self-help programs and grant assistance. As college costs have risen, without corresponding increases in grant assistance, more students and families have relied on the self-help programs to finance a larger share of the student's educational costs.

I share the same concern that you and many of your colleagues have expressed over the increasing level of student indebtedness and its short- and long-term economic and social consequences. It would appear, in view of the need for significant increases in grant assistance, at a time of scarce resources, Congress should consider the State Student Incentive Grant Program as a viable vehicle for the Federal Government to increase grant assistance to students.

The program could be structured so that any new Federal dollars coming into a State would have to be matched, or States would be required to maintain a minimum level of State effort to encourage additional State dollars allocated to student aid. Additional incentives could also be incorporated into the program to achieve additional desired results.

It has been suggested that such incentives would not increase State's efforts to provide additional grant assistance to students. However, recent history of other Federal programs which contain State incentives appear to contradict this view. In instances where the Federal Government has provided financial incentives to States to either participate or expand State efforts, States have responded. States are also grasping with fiscal problems of their own, and are seeking alternatives to maximize their educational dollars. An expanded State student incentive grant would provide States with such an alternative.

Senator STAFFORD. Could you summarize at this point, Mr. Franzeim?

Mr. FRANZEIM. I just have to close.

Reauthorization provides us with an opportunity to review and make changes to the Higher Education Act that will benefit all. Evolutionary change is healthy, and necessary to reflect the changing needs of our society. The changes that have been advocated by the administration, however, appear to be revolutionary, which have the potential of being destructive to all concerned.

I wish to thank you for the time to speak to you.

Senator STAFFORD. Thank you very much.

Mr. Samuelson, before you begin, are you related in any way to the late Myron Samuelson?

Mr. SAMUELSON. No, I am not.

Senator STAFFORD. All right. He was a very fine man, and a longtime friend of mine, so you could safely claim that you were.

Mr. SAMUELSON. I should have said yes. [Laughter.]

Thank you.

My name is Eric Samuelson, and I am a senior at Johnson State College, and plan to receive a degree in business management this May.

I would first like to take this opportunity and thank you for this privilege to address an issue that has been, and still is, very important to me. That being the so-called campus-based programs. Of the three, supplemental educational opportunity grants, the College Work-Study Program and national direct student loan. I have been fortunate enough to receive SEOG and work-study. During my college career at Johnson State College, campus-based programs have provided me with 60 percent of my college funding, 37 percent of which is so-called self-help or work study.

I would like to focus my discussion towards the College Work-Study Program, because it has had the greatest effect on me. Not only has the program funded my education, but the actual job experience I have gained over the past 3 years is to me priceless.

The work-study program, for those of you who are unfamiliar with it, provides the student with a dollar amount of work-study eligibility. It is then the student's responsibility to find a job, either on campus, or with a nonprofit organization off campus. The stu-

dent receives a paycheck every 2 weeks. The Federal Government, that being title IV, pays 80 percent of that paycheck, with the remaining 20 percent being paid by the employer. Because the employer only pays 20 percent of the student's wages, it is obvious that this program not only benefits the student, but the institution, or the agency, as well. The institution receives good quality work at a fraction of what it would cost on the open job market.

Contrary to popular belief, students are not unwilling to work for their financial aid. In fact, many, if not most, enjoy getting involved with the administrative staff. Clearly, it would be impossible for a student to fund his education exclusively from work-study dollars. Loans and grants, such as NDSL and SEOG, are a vital part of a financial aid package.

Without this financial aid assistance, I truly doubt that I would have been able to complete my undergraduate work uninterrupted. If I had been forced to take time off between academic years, I might never have returned to complete my degree requirements.

The financial aid programs have served me very well, and personally, I think you have made a good investment. However, I am concerned that the proposed budget cuts will make it impossible for some Vermonters to attend even the reasonably priced State colleges. For instance, at Johnson, 70 percent of the undergrads are Vermonters, and of these, almost 75 percent receive some type of financial aid. Therefore, not only would the students, but also the institutions, suffer due to a possible decrease in enrollment.

In reference to changes that should be made in the financial aid programs, I advocate a year without change. Each year the process seems to get more and more confusing.

Although I will not be a student next year, I am still very much concerned with the financial aid programs. When asked what I plan to do when I graduate from Johnson, I tell them pay taxes, and I would hope that my tax dollars would in some way help to continue the funding of title IV programs, thus the funding of students' educations.

Thank you.

Senator STAFFORD. Thank you very much, Mr. Samuelson.

And now, Ms. Sanford, I guess you are next.

Ms. SANFORD. My name is Lindy Sanford. I am a senior at Burlington College, looking forward to graduation in December.

Several years ago I found myself a displaced homemaker, and head of a household of five, forced to reenter the job market with only menial skills. It became clear very quickly that I was not going to be able to do it, and that all I was going to be able to earn was minimum wage, and to do any better would require advanced training, or a degree.

Because deadlines for other forms of financial aid had passed that year, the financial aid office applied for campus-based NDSL and SEOG toward my tuition. Returning to school that first semester was so critical for me. I honestly do not believe that if I had to wait to qualify, I would have returned. To me this indicates the necessity for a diversity of programs to meet individual needs.

This is not part of my prepared statement, but I really feel strongly about that. My self-esteem was dropping so low that if I had had to wait, I never would have gone back to school, and my

entire family would have been part of the welfare system, probably for the rest of my life.

Much to my surprise, I found the other Government agencies I dealt with, especially WIN and social welfare, made it difficult for me. I was somewhat misinformed about my family's—whether my family qualified or not while I pursued an education. And I withdrew our dependency on public assistance, and that caused unnecessary hardship for my children at that time. Others I know have been able to continue, they have had to fight to stay in school.

The Work-Study Program and GSL made it possible for me to attend school, because it provided an opportunity for me to work parttime within my field of interest, and to support my family.

If I had had to work fulltime, I would not have been able to complete my course work and fulfill my family obligations. Having had the opportunity to help other families in crises through the Work-Study Program has been very rewarding to me personally, and very valuable professionally as I pursue a career in human services.

In summary, financial aid makes higher education accessible to those who need it most to improve their economic situation. To reduce or to remove financial aid is, to in effect, sentence low-income families to a life of more dependency and fewer options.

Thank you.

Senator STAFFORD. Thank you very much.

Reverend Henry?

Reverend HENRY. Senator Stafford, Congressman Jeffords, and other distinguished guests, I am pleased to have the opportunity to present these statements to you at these hearings. I feel the subject of student loans and associated programs are vital to the present educational programs of our day.

Speaking as a parent in that group whose gross annual income is not more than $20,000, these programs and grants made available are not only vital, they are crucial to us in the education of our sons and daughters in their college years.

In today's economic facts of life, college would be out of the question without these campus-based programs. The SEOG, College Work-Study and the National Direct Student Loan, these revolving funds are the lifeblood of educational opportunity for our children.

With college costs at reasonable school now topping $7,000 annually, at our income level there is no way we could produce the funds needed to finance the college for our children.

I am, of course, very much aware of the need to keep the costs of Government and its programs down to the minimum, for it is only by prudent management that we can keep from fiscal bankruptcy of our Nation. Still, priorities must be set for the services and functions of our national life.

My views on national priorities are not germane here, except as concerns the authorizations for student financial assistance programs. I obviously think of them as of a prime importance, or I would not be here today. Let me outline a few thoughts I have on a couple of the programs.

The supplemental educational opportunity grant, it seems to me, that the most opportune use of this program is for the basic education, the undergraduate years of schooling, and in consideration of

an annual increase in tuition and fees in colleges the limit might be raised to a more realistic level of, say $3,000 per year, maximum.

Second, the National Direct Student Loan. These are vital for filling in the gaps not provided by other programs of student assistance. Further, these funds make it possible for the student or parent to wait until there is a post-college income status before facing the repayment obligation.

It is also my thought that these funds should remain available at rates below the prevailing commercial loan rates, perhaps several percentage points below.

They should be maintained, as I see it, as a steady, revolving fund, administered as much locally as possible, as the institution is more aware of the students' needs, than other rating institutions.

Here again, in appreciation of the steadily increasing costs of post-high school education, we might consider the increase of the maximum loans available annually.

Three, the Work-Study Program, this is an excellent way of meeting the needs of the qualified and needy student for college in the 1980's. Their value is twofold, student assistance for schooling costs, and the provision of work performed to the granting institution in carrying out its functions. By having to work for the assistance, the student feels a real sense of pride that what is received is the fruits of his or her work.

My views are the result of having to see to the education of five children, four of whom have been in college. And, in addition, by the fact that for a period of 5 scholastic years my wife and I will have two children in college simultaneously here at the University of Vermont.

Let me reiterate, again, that without the programs whose authorization is under consideration here, I would have had an impossible time of trying to provide for the education of my family. I therefore seek your favorable consideration for the continuation of these programs I have spoken of, and for other similar student assistance underwritten or guaranteed by the national Government.

To you, the members of the committee, I thank you for this opportunity of appearing here and offering my thoughts.

Senator STAFFORD. Thank you, Mr. Henry, for your thoughts and and your assistance to both of our committees.

Now we will hear from Mr. Lawson. I will say to Mr. Lawson I have shared with him the experience of being a parent of a student at Middlebury College, and I was a student there once myself.

Mr. LAWSON. I wish to express my sincere appreciation to members of the Joint House and Senate Subcommittee for the opportunity to present my personal views on the recently proposed cuts in the Federal student aid.

Allow me to begin by stating that I am opposed to any form of financial assistance that could be conceived as a "free handout." With the risk of turning back the decades, I would like to make reference to my personal "college days," in order to emphasize this point.

After completing my first year of college, and the untimely death of my father, I was forced to work a year before returning to school. The following 3 years required working 40 hours per week,

as well as carrying a full academic load. Perhaps this choice was the influence of my family, or the fact that I am a proud Vermonter. However, the thought of pursuing financial assistance was the furthest from my mind. It was not until my senior year that I was faced with the ultimate decision—accept a National Defense Loan, or withdraw from college. That loan gave me the opportunity to enter the field of education, and I will be eternally grateful for the financial assistance which made it possible for me to have the professional career I now enjoy.

Now, to the present. The past 7 years I have seen my oldest daughter complete a master's degree, my second daughter graduate from the university, my son in his junior year of college, and my youngest daughter now a freshman at Middlebury.

During this period we have been fortunate to have had financial assistance from all three forms of the campus-based programs; the Supplemental Educational Opportunity Grant, the National Direct Student Loan, as well as the Federal College Work-Study Program. This financial assistance, in conjunction with summer employment, additional bank loans, and parental contributions, has ensured the education of our four children, up until the present time.

If the Reagan administration's proposal is approved, my children will lose all financial aid presently provided through the campus-based programs. The proposed family income limits for the National Direct Student Loan, and the Federal College Work-Study Program, will have the greatest impact on the educational future of my two remaining children.

First, the elimination of the National Direct Student Loan will necessitate seeking out alternative loans. The cost of alternative loans, the payback procedures, in conjunction with bank loans already outstanding, will create extreme financial difficulties for my family.

Second, the loss of work-study opportunities removes one of the few vehicles of self-help presently available to college students. Earning one's own spending money has always been the responsibility of my children. I feel strongly about the need for them to contribute to their own education. The removal of the campus-based work-study programs would greatly reduce this opportunity. As I weigh the effects of the Reagan proposal on my own personal situation, I see no alternative but to consider less expensive colleges for my children.

This committee should understand that the parents' financial commitment to their children does not simply terminate upon graduation. For example, my two daughters, upon graduation, entered the fields of education and social services. Each of them receive a salary of approximately $13,500. From this salary they must, (a) pay State/Federal taxes, (b) rent an apartment, (c) purchase basic furniture, (d) provide transportation, and (e) pay back educational loans. I believe that the financial assistance necessary to get the recent graduate "started" rests solely with the parents. This additional financial burden to the family, plus the immediate loss of a dependent, has a direct, but I think unrecognized, effect on future parental contributions toward those remaining in college.

Although I agree with Secretary Bennett's statement that, "eliminating loans and grants for more than 1 million college stu-

dents would force some families who are already sacrificing to tighten the belt even further;" I take exception to his charges that students may have to give up their stereos, cars and beach vacations to pay for college. I can assure you that none of my children had the luxury of stereos, cars or beach vacations during their years in college.

In conclusion, may I strongly suggest that as this administration addresses the state of the economy, the national debt and the defense budget, you will not lose sight of the single, most important resource available to our great country, namely, education.

Thank you.

Senator STAFFORD. Thank you, Mr. Lawson, for your very interesting testimony.

Might I, for the committees, ask where you went to college yourself?

Mr. LAWSON. I went to Springfield College, sir.

Senator STAFFORD. And where, and what are you doing at the present time, in the educational profession?

Mr. LAWSON. I am presently the director of athletics at Middlebury College.

Senator STAFFORD. Well, I am delighted to hear that.

Mr. LAWSON. Thank you. I am delighted to be there. [Laughter.]

Senator STAFFORD. I would like to say—I guess I better not.

Mr. Franzeim, you sounded a theme that I think is particularly important, when you mentioned stability, which is something we have been deeply concerned about in the Senate, in the Committee on Education, and in the Senate itself. That is, stability in the college assistance programs, so that administrators, parents, students and prospective students could know what they might have available, if they wish to go to college, or continue in college, from year to year.

We have had five amendments to the Higher Education Act as far as eligibility is concerned for student assistance, in 6 years, and so one of the things I personally deplore, after finally achieving 2 years of stability, is to again have a major turbulence injected into the student assistance programs by changes in eligibility, changes in the amount of money available, and I gather you generally would agree with what I am saying.

Mr. FRANZEIM. Yes, sir, Senator.

Senator STAFFORD. Thank you very much.

Ms. Sanford, I gather that if it were not for the college assistance programs that you could not have obtained a college degree, is that right?

Ms. SANFORD. I never could have considered pursuing it, it was totally out of my grasp.

Senator STAFFORD. Yes; all right, I thank you both, and turn to you, Jim.

Mr. JEFFORDS. Thank you.

Ms. Van Zile, I really appreciate all those very specific recommendations you gave us. One I wanted to ask you about briefly is you said eliminate the $200 minimum grant, I believe. What did you mean by that?

Ms. VAN ZILE. OK. That is just a technical amendment, which says that the grants have to be a minimum of $200. Sometimes a

student may require less than $200 in grant funds, and we are not able to give it to them, so we give them some institutional grant, or some other source of aid. It is just a technical thing that is in there, that says the minimum grant has to be $200.

Mr. JEFFORDS. OK. I understand.

Let me ask questions on the administration's recommendation. I am not going to get into the funding levels first, but I want to know what the philosophical aspects of a block grant versus the present categorical approach to SEOG's and work-study would be.

Let us presume that the funding was the same. First of all, what would appear to be the shift in emphasis in that block grant, it is not a block grant, or are there presumptions about a two to three distribution of SEOG's to work-study; they would have a 1 to 4. In other words, there would be greater shift with more emphasis toward work-study than SEOG's.

As for supplemental educational opportunity grants, I wonder if any of you would like to comment on whether or not it would be wise to shift more toward work-study? Would more work-study be available if you were to make that kind of a shift in emphasis?

Is there a certain public acceptability? They ought to work for what they are getting. Do you have any comments on that?

Ms. VAN ZILE. I think it is really easy to point out that work-study is a very good program. I think most people can relate to students working their way through school. But at the cost to go to college now a student would have to work 40 or 50 hours a week in order to meet those costs. So it is impossible to meet that cost just through work-study.

Mr. JEFFORDS. Now, let me be precise on that. You mean if they, instead of getting an SEOG, got it all in work-study, they would have to work that long? Are you talking about the total amount of money they would need for college?

Ms. VAN ZILE. If they only had work-study, and no other source.

Mr. JEFFORDS. OK. Well, the question is here in SEOG's and work-study.

Ms VAN ZILE. Well, it would also then depend upon the, what the division of that was. If it is like 1 to 4, you are saying one work-study, or one SEOG?

Mr. JEFFORDS. No; it is one SEOG, and then four work-study dollars. That is a big shift. It is from 2 to 3, to 1 to 4.

Ms. VAN ZILE. I do not know.

Mr. JEFFORDS. That is a big shift. It is from 2 to 3, to 1 to 4. That is, as I understand, the recommendation of the administration I would like to know what that would do to you.

Ms. VAN ZILE. Students can typically only work between 10 and 15 hours a week. After a while it starts interfering with their grades, and what other things they might be pursuing. So there is a limit as to how much students can actually earn.

At the university we are very fortunate, we do have a rather large work-study grant. So we not only have an academic year program, we have a summer work-study program. I understand at some institutions that is not true, they only have a program during the academic year.

But even then you have to be very careful in the amount of money that goes into work-study, because students have to earn

that. You cannot just give it to them in a grant, you cannot assign it to them in a loan, they have to earn it, and that means hours on a job, and they can only put in so many hours. So that the balance of that has to be measured very carefully.

Mr. FRANZEIM. You know, about that proposal, it would almost appear that that might even limit flexibility. Right now, when I think of the recommendations that we had for the campus-based programs, encouraged additional flexibility, transferability between funds, and it seems like that proposal the administration was recommending would actually limit that flexibility.

Mr. JEFFORDS. It would appear that way. I was just curious.

What about total, just a block grant, and no division between work-study and SEOG. Just give you the money and say divide it as you want?

Ms. VAN ZILE. I think again there would be some concern. Some institutions may decide to use all of that for SEOG grants, and not use any for work-study. There is also a concern about a large block grant that is very easy to target, and for somebody to reduce it. It is much more difficult for people to cite a particular program and reduce it, as opposed to one block grant, which is out there now, and they can easily reduce it, so I think there would be some concerns.

On a philosophical basis, actually in allocating that kind of money, to a State or to an institution, without some kind of breakdown.

Mr. JEFFORDS. Would someone else like to comment?

Yes, go ahead.

Ms. SANFORD. The low-income student is already working 20 hours a week, usually because they are—to be independently—to be financial independent. To place the burden of the changing proportion of the SEOG, and put that into more hours for them is to force them into a situation where they are going to get less for their education, because they are going to have to be spending more hours just to earn the same amount, so the change, I do not think, is beneficial specifically for the low-income student.

Mr. SAMUELSON. I would just like to add that because there is a ceiling of only $4 on the wage that you can earn, at Johnson any way, you can only earn $4 an hour, and there is no way that you can meet that.

There is no steady eligibility by increasing the amount you get per hour. The only way is to work more hours. And I work anywhere from 15 and 20 hours a week, and there is no way that I can squeeze in another 20 hours a week through work-study.

Mr. JEFFORDS. Thank you.

Senator STAFFORD. I have just noticed, I would say to the panel that the proposed block grant of $850 million would result in an increase in college work-study of about $258 million. But at the same time it would eliminate the SEOG Program of $412 million. It would eliminate the NDSL program of $215 million, and the SSIG Program of $76 million, so the proposal would increase work-study, but at a net cost of the programs together of about $450 million.

Ms. VAN ZILE. For Vermont that would mean a loss of almost $5 million, in the NDSL and SEOG, out of a total of $9 million.

Senator STAFFORD. Well, thank you all very much. We appreciate your being with us.

Mr. Lawson, you and I will have to talk off the record some time.

Mr. LAWSON. Fine.

Mr. JEFFORDS. What are you doing about that football team? [Laughter.]

Mr. LAWSON. You would have to speak to the alumnus.

Senator STAFFORD. Thank you.

The next witness will be Mr. Caitlin Hughes, who is a student at Champlain Valley Union High School. I guess it is a girl, is it not?

Ms. Caitlin?

Ms. Hughes, we are glad you are here, and to hear from Champlain Valley Union High School, and why do you not go right ahead?

STATEMENT OF MS. CAITLIN HUGHES OF SHELBURNE, JUNIOR, CHAMPLAIN VALLEY UNION HIGH SCHOOL, HINESBURG, VT

Ms. HUGHES. Senator Stafford, Representative Jeffords, as a high school student whose everyday life is in some way a part of the planning for my future, I would like to thank you for allowing me to comment on the reauthorization of the Higher Education Act.

Since before high school, plans for college have always influenced my life. When I take lessons, or become involved in community and school groups, everything I do is to add to total experience as a person. Most of my extracurricular activities are related to the subjects I am interested in, and to the career goals I have.

I am an honor student, a member of the National Honor Society, and I am involved in the drama and music programs at my school. I have been active in my school's American Field Service Chapter, whose goal as a foreign exchange program is to better strengthen international understanding among the young people of this generation.

I am a participant in the fund-raising activities of my school's Close-Up Program, which is part of the national organization to send students to Washington, DC, for an educational look at how our country's Government operates. Everything—from my interest in theater to my interest in Government—has been in planning for college and my future career.

In order for me to accomplish my goals and dreams, I know I may have to forfeit my high school extracurricular activities and love which is—theater—to earn money to meet the expenses. However, my worry is that it will not be enough, and that I will need to receive grants and loans to go to the college of my choice.

And so I urge you to keep in mind the concerns of prospective college students such as myself when considering the reauthorizations of the Higher Education Act.

Thank you very much.

Senator STAFFORD. Thank you very much, Ms. Hughes.

Let me see if I understand what you are telling us, that without the present system of student assistance at colleges and universities, you will not be able to attend a college of your choice, when you are ready to go to college, am I correct?

Ms. HUGHES. That is correct.

Senator STAFFORD. And you would urge us to keep those programs intact as they are now, for your sake, and all students who may wish to go to college, of your age group?

Ms. HUGHES. Yes.

Senator STAFFORD. Jim?

Mr. JEFFORDS. Thank you.

It is certainly a perspective that we have not concentrated on much in these hearings, is that we have a large number of young people like yourself out there who have been planning on what to do, and having their sights set on certain colleges, and all their plans in the making, and if we just pull the rug out from under this financing it is going to leave them high and dry, and looking for a place to go. Is that the way you perceive it at this point?

Ms. HUGHES. Yes, that is pretty much it. It is hard to plan for our future, if we are not sure what we are supposed to be planning around. I am relying very heavily on being able to take advantage of student loans and assistance programs.

Mr. JEFFORDS. And are you alone in that, or is that the way your friends are feeling, too?

Ms. HUGHES. No, I think most of my friends are planning to take advantage of whatever grants and loans and scholarships they can be eligible for.

Mr. JEFFORDS. Thank you very much.

Senator STAFFORD. It sort of underscores the need for stability in the college assistance programs, does it not?

Ms. HUGHES. Yes.

Senator STAFFORD. So that you will know from year to year, and your contemporaries will, what is available to you, if you do go to college.

Thank you very much for helping us.

The final witness, batting in the cleanup position, is the president of Green Mountain College, Dr. Pollock, who we have invited, to whatever extent he wishes, to summarize these hearings, as they have appeared to him, and the message which he has received and would want us to carry back to Washington.

Dr. Pollock?

STATEMENT OF DR. JAMES M. POLLOCK, PRESIDENT, GREEN MOUNTAIN COLLEGE, POULTNEY, VT

Dr. POLLOCK. Senator Stafford, I think it is dangerous in asking, or telling two different types of people that they have an unlimited amount of time. One is politicians, and the other is college presidents. [Laughter.]

As the last person to testify at these hearings, I have been assigned the task of concisely coalescing the thoughts of those who have gone before me. This task is not an easy one, for the diversity of the programs and the impact they have on the millions of students who attend our colleges and universities is so immense that with the limited time available, an emphasis on a few of the programs would unintentionally deemphasize others.

Rather than speak in terms of statistics, I would like to speak to you in terms of concepts.

Recently I had the opportunity to read an account of the testimony given to Congress by the Director of Budget and Management, Mr. David Stockman. Mr. Stockman was advocating a curtailment of many of the programs you have heard about these past few days, and he was simultaneously warning Congress to be wary of the positions that colleges were taking, because they have a deepseated vested interest in these programs. He is absolutely right, and we are proud of it.

For it illustrates that our vested interest is in the ideal that all our young people have the opportunity to acquire the best education possible. And it indicates that colleges have a vested interest in the future of our country, and we see education as the best means of solving both our long- and short-term problems. Unless all reasonable men and women share this vested interest, the issues facing us in the future will be of a magnitude considerably greater than those which we have been addressing these last few days.

If one steps back and carefully looks at our society, the singular characteristic that stands out above all others is our unique form of higher education. The blend and the balance of public and independent institutions has woven a delicate and intricate tapestry that is universally recognized for its leadership and excellence, and these institutions are the major contributing force behind the Nation's ability to support the highest standard of living in the world.

A most distinguishing characteristic of this system is that each individual student is given the opportunity, the choice, and the encouragement to pursue his or her individual goals and aspirations. The architects and the weavers of our system have made opportunity and choice the warp and woof of the fabric.

The analogy between the tapestry and our system of higher education is an interesting one. Those who study such art know that the background to the design is a major factor in the design achieving its brilliance. The background should be supportive and not dominant. The background should produce harmony while allowing each aspect of the design to demonstrate its individual quality.

The unique partnership that has been struck between American colleges and universities and the Federal Government is such that our educational system can stand out from that background of federally sponsored student and institutional support while successfully fulfilling our educational missions.

Some of the programs you are considering during these hearings have been characterized as handouts and frivolous. These critics unfortunately have not made the effort to carefully examine the values of the programs in terms of their total significance.

If one wishes to look only at the economic impact of the dollars invested in higher education, and to study it from the perspective of new taxes generated for every dollar invested, it becomes abundantly clear that as a result of the increased earning power achieved by college graduates, the corresponding increase in the amount of income taxes paid by these individuals during their working years will return many times over the initial investment.

Such results can hardly be classified as a handout. However, when we speak of investment, we must not limit ourselves to dollars and cents. We must also speak of personal investment.

Upward mobility has always been a hallmark of our society. It is this encouragement of upward mobility that has allowed individuals to achieve greatness in industry, government, international affairs, science, and service.

Since the GI bill of the mid-1940's, the Federal Government has played a major role in ensuring that these individual attainments were possible. For if it were not for the institutional and individual support given higher education, many individuals would have been excluded from attaining the educational backgrounds necessary for these achievements. It would be easy to chronicle the distinguished scientists, lawyers, and politicians who have benefited from the student financial aid and institutional aid programs.

Perhaps more important are the thousands who have not, or desire not to attain such notoriety, but through their education have been able to raise the general level of understanding of this Nation.

We are a society of educated people, and not one of the educationally elite. Our society is one which would be intimdating in many cultures, but in ours it is one on which we thrive. We hear a lot these days about getting the most for your dollar. I do not know of any other program that the Government supports where the return on the dollar has a greater higher yield than that of higher education.

I do not want to leave you with the impression that those of us in higher education live in an insular state. We are perhaps more aware than others of the problems of budgets and deficit financing, for it is, unfortunately, a problem that many of us work too closely with each day. For ours is perhaps one of the most economically sensitive industries in existence. We in higher education know how to bite the bullet, we have been biting it for years. However, I offer to you that there is a distinct difference between the outcome of biting the bullet and that of swallowing it. [Laughter.]

Specifically, what you have heard in these last few days is several things. First of all, what we need is less talk, and more stability to the programs. The programs need adjusting, they do not need overhauling.

Another characteristic which you have seen is the diversity in the types of programs. Most institutions and students support diversity in institutional programs that deal with counseling, college libraries, cooperative education, and international education.

One thing that all these programs and colleges have in common is without Federal assistance the individual colleges would not be able to conduct these programs. In the area of student support, you have seen great diversity from our students. You have seen undergraduate students, graduate students, and students with special needs. And again, the one thing these students have in common is without the Federal support they would never have been able to attend college.

The hallmark to the problem of student aid is access and choice. It is an option and an alternative which should not be lost in higher education.

We have also heard comments about abuse, abuse of programs. Defaults, the falsifying of information on applications. I offer to

you that the level of abuse is minimal. Very few individuals abuse these programs.

We should be very leery of throwing the baby out with the bath water. One of our greatest concerns is the exceptionally high level of loan obligation that students are taking when they are leaving college. We have heard of students having to handle loans of $20,000, $25,000 and $30,000.

I urge you to study ways of reducing this loan obligation, either through larger grants, or perhaps additional loan subsidies.

Finally, higher education, and education in particular, seems to be singled out, to absorb some of the problems created by the deficit, a deficit that was not caused by education.

In closing, I know I speak for all the students who have appeared before you, the students from the State of Vermont, their parents, the faculty and the staffs of our colleges, when I thank you on their behalf for your understanding and your efforts in fostering the opportunity for, and the quality of education that has become synonymous with the United States.

Thank you for sharing this time with us.

Senator STAFFORD. Thank you very much, Dr. Pollock. I can tell you that you and all your colleagues who have appeared as witnesses, and who have been here as college students, administrators, presidents, that these hearings will certainly inspire this Senator to go back and work all the harder for these programs that I think are so crucial to the future of our country.

And I am deeply grateful to all of you who played a role here, particularly the mechanics of establishing the study to help us, and setting up these meetings, and I offer special thanks to Dr. Steward LaCasce, to Sister Janice Ryan, to Marge Williams, to Nancy Stalmaker, to David Myette, and special thanks to the House and Senate staff who have worked with the people I have just named, and others, to make these hearings a reality.

We are very grateful to everybody who has been so helpful to us in our efforts to try to help American education through these hearings.

Jim.

Mr. JEFFORDS. Thank you very much.

I want to just thank you, Senator, having this kind of a hearing at this particular time, and to having it set up. I think that that demonstrates your great perceptiveness, and I want to thank you and your staff in particular for all the work you have done over the past year, in making these hearings the success that I believe they are, in demonstrating the need for continuation and stability, and for trying to ensure access to our universities and all.

And I want to thank you and your staff, and of course, my staff also, to thank them for their efforts.

And most importantly, as you have done, to thank the educators and the students who have spent so much time coming here to testify. I think Vermonters should realize that they are lucky in the sense that we are able to have probably more hearings in this State, than just about any other congressional district. It is not due to us, but to the fact that there are a lot of members who like to ski, or like a little vacation from the hot, Washington summers; and I am able to lure them up here more frequently than other

places. So we are very fortunate to have had Mrs. Roukema here, and I know as the time goes by, we will have other people up here, too.

Thank you very much.

[Additional statements supplied for the record follows:]

VERMONT
STUDENT ASSISTANCE CORPORATION
CHAMPLAIN MILL • P.O. BOX 2000
WINOOSKI, VERMONT 05404
802 655-9602

Executive Director
Ronald J. Iverson

March 14, 1985

The Honorable Robert T. Stafford
United States Senator
SH-133 Hart Senate Office Building
Washington, D.C. 20515

Dear Senator Stafford:

I appreciate the opportunity to submit additional testimony regarding the Reauthorization of the Higher Education Act and also the impact of the President's proposed FY86 budget.

I am sure the entire Vermont higher education community joins me in thanking you for your continued support of the higher education programs which are so vital to the ability of Vermonters to obtain postsecondary education. One of the nicest things about Vermont is that we are still represented by people like you, who take time out of a busy Washington, D.C. schedule to hear our concerns.

Please do not hesitate to call on our office if we can be of assistance to you and your staff during the budget and reauthorization processes.

Sincerely,

Ronald J. Iverson

Enclosure

RJI/bp

ADDITIONAL COMMENTS OF

RONALD J. IVERSON
EXECUTIVE DIRECTOR
VERMONT STUDENT ASSISTANCE CORPORATION

before the

Subcommittee on Education, Arts and the Humanities
Committee on Labor and Human Resources
U.S. Senate

and

Subcommittee on Postsecondary Education
Committee on Education and Labor
U.S. House of Representatives

Mr. Chairman and members of the Subcommittee, I thank you for the opportunity to submit additional testimony regarding the Reauthorization of the Higher Education Act of 1965 and the impact of the Administration's FY86 budget proposals.

During the Subcommittee hearings held in Vermont, I presented a brief overview of the role of the Vermont Student Assistance Corporation and our initial estimate of the effects of the Administration's budget proposals. At this time I would like to present a detailed outline of our recommendations for the Reauthorization of the Title IV portion of the Higher Education Act. In addition, I would like to share a more detailed analysis of the impact of the President's FY86 budget proposals.

Reauthorization of the Higher Education Act. (Title IV).

General Recommendations:

In order to preserve equality of opportunity as well as access and choice for students seeking a postsecondary education, we recommend an increase in the financial commitments of the federal government to the Title IV programs. For all programs (except Guaranteed Student Loans) the amount of federal student aid dollars going to Vermont has decreased in actual dollars by almost $1 million from 1980-81 to 1983-84. During a time of increasing educational charges, this lessening of the federal commitment has been deeply felt by Vermont students as evidenced by their increased dependence on Guaranteed Student Loans: The average VSAC loan has increased 25% during the past three years and is now $2,289. Continuation of the trend of decreasing Federal commitments will have a negative impact on students' ability to obtain a postsecondary education.

Concurrent with the need for additional funding is the need for stability in the financial aid programs. Over the past four to five years program changes have occurred which have caused confusion and disruption for all participants. It cannot be reiterated firmly enough that the basic

structure of the programs is sound. No major changes are necessary. It will, perhaps, be necessary to fine-tune individual programs and eligibility standards to enhance fairness and choice; however, we firmly advocate that the basic fabric of student aid remain unchanged.

Pell Grants:

During the 1980-81 school year, students studying at Vermont institutions received $7.5 million in Pell Grants. During the 1983-84 school year, this amount dropped to $6.8 million. This decrease occurred during a time when enrollments held steady and costs increased. The important access nature of the program cannot be maintained unless funding is increased markedly. We suggest the following maximum Pell Grants for the next several years:

1986-87	$2,750
1987-88	$2,900
1988-89	$3,100
1989-90	$3,300
1990-91	$3,500

We encourage the continuation of funds going directly to students rather than institutions. This has resulted in an increase in both access and choice for our students.

The "central processor" concept should be abandoned, and the program should be administered on a state and/or institutional level with eligibility to be determined based on the index supplied by approved needs analysis services. This would eliminate a costly layer of bureaucracy while preserving the students' freedom of choice. In addition, we recommend continuation of the Pell Grant half-cost rule which ensures that students at both high- and low-cost institutions are eligible for a fair proportion of educational costs.

State Student Incentive Grants:

This important program, which is the only financial aid program with 50-50 state match, has languished in recent years. Funding levels ha either decreased or remained stagnant, yet all states have establishe state programs that match federal funds on a dollar-for-dollar basis. Increasing funding levels for this program would effectively match sc federal funds with new state contributions and thus provide for an optimum use of resources. We recommend an initial funding level for 86-87 of $500 million to be matched by new state dollars thus maximiz both the state and federal efforts.

Campus-Based Programs:

These programs are needed to allow institutions to meet the needs of their individual students. While many question the appropriateness c any direct institutional aid, we feel that programs such as Work-Stuc and Supplemental Educational Opportunity Grants serve a vital purpose It is questionable whether National Direct Student Loans still serve their original purpose, but we urge that the program not be eliminate unless loan limits in the Guaranteed Student Loan Programs are raisec compensate for the loss of NDSL. We also encourage greater flexibil in the programs to allow financial aid officers to use discretion anc professional judgment in determining awards.

TRIO Programs:

Without information and encouragement, many prospective postsecondar students would never even attempt an education beyond high school. TRIO programs serve to fill the need of many disadvantaged people fo information and counseling to smooth and ease the transition from hi school and/or a job or unemployment into the postsecondary environme The individualized attention provided by the programs is essential t maintain access for those who are academically able, but often from destitute backgrounds. The Talent Search Program, which is a part o

VSAC, has received essentially level federal funding over the past four years. If we are to continue to improve access for the less fortunate, this trend must be reversed. We recommend increasing the authorization level of TRIO to $450 million for FY 1987, $500 million for FY 1988, and $550 million for FY 1989.

Guaranteed Student Loans

This program has been in existence in Vermont since 1965 during which time we have made more than 85,000 loans to Vermont students in an amount of over $155 million. The importance of the Guaranteed Student Loan Program cannot be exaggerated. Without the program, thousands of Vermonters would be denied a postsecondary education. We advocate no major changes; however, a number of steps can be taken to improve and preserve the program.

In 1976, Congress passed legislation which encouraged greater participation on the part of state and non-profit private agencies and lessened the role of the federal guarantee function. We applauded this step. However, the time has come to re-examine the nature of the program and subject it to more public scrutiny. For that reason, we recommend that public guarantors be emphasized and private guarantors be allowed only in areas where the Secretary determines that access problems exist. The rationale is simple: In a multi-billion dollar program, oversight by the public should be stringent and incessant. We find that this goal is best met via the public state agency approach.

The adequacy of the current loan limits has long been open to question. Our recommendation is to increase the limits to $4,000 for undergraduates and $10,000 for graduate students. We find that this is a prudent increase. Loan limits have not changed since 1972, whereas the CPI has jumped from 123.0 to 326.2. If loan limits had followed CPI we would currently be at a limit of $6,600 for undergraduates, well above our proposal.

We recommend that no substantive changes be made in GSL eligibility criteria. The implementation of the "cap" served the worthwhile purpose of eliminating unnecessary borrowing. We do, however, recommend that the cap be adjusted upward to keep pace with inflation and that independent students with families be treated on par with dependent students.

The ten-year repayment period with monthly payments of at least $50 should be continued for students with total debts of $10,000 or less. However, for students with debts in excess of $10,000, we recommend extending repayment an additional year for each $1,000 of debt over $10,000 to a maximum repayment period of 25 years. In order to lessen the cost to the government, we advocate that the feasibility of having the student pay market rates after ten years be scrutinized. Coupled with this proposal, we recommend stronger emphasis on graduated repayments as well as a vehicle for loan consolidation for borrowers with multiple types of loans and/or lenders.

Extending repayment has been a topic receiving wide-spread attention over the past few years. The converse of this, prepayment options, has barely been discussed at all. We feel that substantial savings in the program might be achievement were certain prepayment incentives implemented. Again, such a proposal needs to be subjected to careful scrutiny and feasibility studies before implementation.

Our proposal calls for one major loan program with two components: student loans and parent loans. The current confusion surrounding the unfortunate ALAS program must be eliminated and we recommend that the student component of the loan program be expanded to include subsidized as well as non-subsidized loans. The interest rate on subsidized loans would increase to 9%.

We recommend no changes for the PLUS program other than an increase in the annual loan limit to $5,000.

We urge that the role of state secondary markets be expanded and that state participation in this important function be encouraged. Currently, the states have to surmount two difficult roadblocks in order to issue tax-exempt bonds for secondary market functions: (1) Approval is needed by the Department of Education - an undertaking which amounts to a regulatory nightmare; and (2) The states have to allocate a certain amount of their bonding authority under the 1984 Tax Reform Act to the respective state secondary markets. We recommend that the stringency of the approval process by the Department of Education be lessened and that states be given the prerogative to allocate their bonding authority where they see fit.

In addition we recommend that the issuance of tax-exempt bonds for alternative state loan programs with no federal subsidy be allowed and that such bonds be deemed "public-purpose" and thus not subject to the state bonding caps. The obvious reason for this is that the purpose served by access to student loan capital is education, the nature of which is substantially in the public interest.

In conjunction with a careful examination of the role of the state secondary market and direct lending agencies, we encourage Congress to scrutinize the role and purpose of the Student Loan Marketing Association with emphasis on the Association's ability to provide backup capital for state-administered secondary markets and direct lenders.

Although the above recommendations are far-ranging, it should be emphasized that the inherent structure of the program is sound and our recommendations are strictly meant to increase that basic soundness.

Impact of the President's Proposed FY86 Budget

The budget, as proposed by the Administration, would have a devastating effect on Vermonters' ability to obtain a postsecondary education. During the past four years, major aid programs have stagnated in terms of funding and these latest proposals would exacerbate this retrenchment.

In addition, the proposals advocated in the Budget are an indication of a major philosophical shift in the federal government's role in the funding of higher education. The goal of equal educational opportunity, reiterated by every President, Democrat and Republican alike, since the days of Truman, has been abandoned by the current Administration.

Below is an item-by-item outline of the impact of the Administration's recommendation on Vermont Students:

GUARANTEED STUDENT LOANS:

Proposal: Eliminate eligibility to participate in subsidized loans for students with family incomes over $32,500.

Impact: Based on FY84 data, 2,200 students (22% of total borrowers) who borrowed $4.6 million would be eliminated from the loan program. This number does not include students from other states studying in Vermont.

Proposal: All students must show need for subsidized Guaranteed Student Loans.

Impact: Based on FY84 data, our estimate indicates that a needs test across the board would deprive 65% of dependent Vermont GSL recipients studying in Vermont of GSL funds. Over 99% of independent GSL recipients had incomes of less than $32,500 during FY84. It is estimated that these students would lose approximately $3.6 million due to the constraints in the current needs test.

Proposal: Return of federal advances from guarantee agencies by October 1, 1986.

Impact: The Vermont Student Assistance Corporation would be forced to return $914,000 from our reserves to the federal government. This would encumber our reserves and is not actuarily sound.

Proposal: Elimination of administrative cost allowance to guarantee agencies.

Impact: The annual impact would be from $220,000 to $250,000 beginning in FY85 which constitutes a significant portion of the administrative costs involved in maintaining the loan program and its excellent record of access to capital and repayment of loans by students.

Proposal: For loans made for academic year 1985-86, special allowance would be 1.5% for in-school, grace and deferment period and 3% during repayment.

Impact: Currently lenders receive a yield on student loans of T-Bill plus 3½%. The proposal would reduce the return (1) during in-school and grace periods 133%, and (2) in repayment 17%. Reductions in yield of this magnitude might force a number of lenders to question and curtail their commitment to the program.

Proposal: For loans made for academic year 1985-86, the interest rate will be the bond-equivalent rate of 91-day T-bills during the quarter ending March 31, 1985, rounded to the nearest whole percent.

Impact: Sensible proposal when T-Bills are low. However, during times of high T-Bill rates the students may have to pay exorbitant interest rates to secure a loan. This might reduce access to loan funds, particularly for students who are not anticipating high paying jobs.

Proposal: Loans, other than PLUS loans, shall be paid in multiple disbursements, and special allowance shall be calculated on the amount disbursed. State guaranty agencies shall not act as escrow or multiple disbursement agents.

Impact: Multiple disbursements should definitely be encouraged. However, room should be left for lender discretion to disburse the full amount in unusual circumstances, i.e., one year programs with high up front costs such as nursing schools. If the special allowance calculation as well as multiple disbursements were enacted, there would be no need to eliminate the eligibility of guarantors to serve as escrow agents.

Proposal: The maximum rate of reinsurance for loans for academic year 1985-86 shall be 90 percent, with the rate dropping to 70 percent if the ratio of cumulative net defaults to cumulative reinsured loans in repayment exceeds 5 percent and to 50 percent if the ratio exceeds 9 percent.

Impact: The impact would be felt beginning in FY87-90 when most of the loans disbursed in the FY85-86 school year would come into repayment. VSAC might have a default liability at that time of up to $750,000. The reinsurance percentages are excessively restrictive.

Proposal: Interest rates on PLUS loans shall be determined by the lender, subject to a maximum of the current bond equivalent rate of 91-day T-bills plus 3 percent.

Impact: Negative impact on lender participation.

Proposal: No special allowance shall be paid on PLUS loans.

Impact: Negative impact on lender participation.

Proposal: A guarantee fee of 1 percent shall be paid by all PLUS borrowers, to be remitted to the Secretary.

Impact: Decrease in amount of proceeds of $30 to $40 for each loan.

Proposal: A student or his spouse shall be eligible for a PLUS loan, regardless of the student's level of education or dependency status, if the student otherwise qualifies.

Impact: With current credit worthiness requirements, it is doubtful whether a dependent undergraduate student would qualify.

PELL GRANTS:

Proposal: Eliminate eligibility for students with family incomes over $25,000.

Impact: This proposal would predominantly affect dependent students. It is estimated that 17% - 20% of VSAC dependent recipients receiving Pell Grants would lose their eligibility. These students received $393,000 in Pell Grants in FY85.

Proposal: Reduction of Pell awards via either (1) enacted appropriations language to reduce size of awards, or (2) statutory linear reduction formula ensuring that payments do not exceed available funds.

Impact: Congress authorized a maximum Pell Grants of $2,100 for the coming school year. Lack of funding to ensure that this amount is available will have a negative impact on students' ability to attend postsecondary institutions.

SEOG:

Proposal: Eliminate eligibility for students with family incomes over $25,000.

Impact: Forty-three percent of VSAC dependent recipients who are currently eligible for SEOG would have their eligibility eliminated and lose an estimated $1.7 million in Grant funds.

NDSL:

Proposal: Eliminate eligibility for students with family incomes over $25,000.

Impact: Forty-seven percent of VSAC dependent recipients who are currently receiving NDSL loans would have their eligibility eliminated and lose an estimated $750,000 in loan funds.

CWSP:

Proposal: Eliminate eligibility for students with family incomes over $25,000.

Impact: Forty-four percent of VSAC dependent grant recipients who currently receive work-study funds would lose the eligibility. These students are receiving $1,086,000 during the current school year.

GENERAL:

Proposal: Limit amount of all federal aid to $4,000.

Impact: For all undergraduate Vermont aid recipients, it is estimated that 41% would have their eligibility reduced. For Vermont students with incomes of less than $10,000, the impact will be even more severe: Fifty-six percent of these Vermonters are expected to have severely reduced eligibility. Six hundred and fourteen graduate students would lose an estimated $600,000 in loans funds.

Proposal: An $800 self-help requirement will be required of each GSL applicant (as well as of each applicant for Pell Grants and/or campus-based programs).

Impact: Students from low-income families may be cut off from eligibility since these students have few possibilities of raising funds on their own, and may often be the ones least likely to have summer jobs, personal savings, etc.

Proposal: Any student who has not reached 22 years of age by July 1 of the award year shall be deemed dependent (unless an orphan or ward of the court); any student who is 22 or older who wishes to claim independent student status must be economically self-sufficient and satisfy other criteria prescribed by the secretary.

Impact: The question of dependency needs to be examined carefully. An arbitrary cut-off age will discriminate against some students who may be less than 22 years of age but totally self-supporting.

TRIO (Special programs for the disadvantaged):

Proposal: Elimination of Talent Search and EOC - Reduction in funding for remaining programs.

Impact: Elimination of Talent Search would adversely affect the 2,000 high school students who annually benefit from the program. Vermont would lose $109,261 in federal funds for this program. Funding for the remaining programs will be reduced by 40%.

SSIG (State Student Incentive Grants)

Proposal: Elimination of Program

Impact: Vermont students would have approximately $200,000 less grant aid available to them. At the current level of average grants, this would mean that 200 eligible students might not be funded or that all recipients would have their aid reduced.

In summary, let me state that in calculating the full impact of all these proposals we have ascertained that 7,300 Vermonters (67% of all Vermont aid recipients) would lose $15.2 million (44% of total federal aid). The Administration's recommendations, it must be reiterated, are not budget cuts per se but indicate a substantial change in the philosophy of equal educational opportunity. Changes of this magnitude would have a dramatic negative impact on the ability of our postsecondary educational system to survive, meaning that future generations of Americans would face the world ill-equipped to deal with the technological demands and the knowledge required of citizens to preserve our system of democracy.

The University of Vermont

Burlington, Vermont 05405 (802)

March 7, 1985

Ms. Polly Gault, Staff Director
U.S. Senate Subcommittee on Education, the Arts, and Humanities
Senate Hart Office Building, Room 625
Washington, D.C. 20510

Dear Polly:

First, let me congratulate you on putting together a good two days of hearings here in Vermont. I have heard a lot of positive things from people here, and I found that some of my colleagues from universities across the country were aware of the hearings that took place in Vermont. I know that much of the success of those two days should be credited to you.

In the weeks since the hearing, we have assembled the text of President Coor's remarks at the hearing of Friday, February 15. My job is easy before an event because he is his own speech writer, but it gets hard afterwards because he speaks spontaneously from hand-written notes in code and that material has to be deciphered.

I am sending you a copy of those remarks for the record of the hearings. Let me know whether you feel any changes are appropriate.

Sincerely,

Robert E. Stanfield
Executive Assistant
to the President

RES/av
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Enclosure

SAINT MICHAEL'S COLLEGE Winooski, Vermont 05404
(802) 655-2000
Office of Admissions (802) 655-2017, -2018

February 28, 1935

Senator Robert T. Stafford
133 Hart Senate Office Building
Washington, D.C. 20510

Dear Mr. Stafford:

My name is Albert Trembley and I am from Manchester, New Hampshire. I am a senior American History major at St. Michael's College in Winooski, Vermont. I am also the recipient of a Pell Grant in addition to other financial aid.

The Pell Grant is a key element in the financial aid process at St. Michael's. Student's Pell Grants often provide the index for aid given through the institution itself, making the amount of the Pell the basis for all other forthcoming aid.

Next fiscal year, St. Michael's will invest over $2 million dollars into its financial assistance program, which serves over 30% of St. Michael's students. Because the aid is based partly on the amount of federal dollars granted, any cuts in federal funds would result in St. Michael's cutting students off, or attempting to subsidize funds lost by federal cuts. Either positions would spell financial disaster for both the student and the college.

Contrary to the claims made in Washington, most students are not out for a free ride, a stereo, car or a vacation. The cuts proposed in the federal student financial aid programs, especially the Pell Grant Program, mean that many college-age adults will not attend school beyond high-school, simply because they cannot afford to.

I can go on and on, making general statements about student aid cuts, but I believe an example can best illustrate what Pell Grant cuts would mean to me:

I come from a middle-class family, and my parents both work, my father as a general manager for a moving/storage company, my mother as a receptionist for a bank. However, when I applied for school four years ago, this was not the case. Before I graduated from high school, the trucking company that employed my father suddenly closed its doors. Our family lived on and exhausted accumulated savings while he searched for another job. In the meantime, I had made the decision, at my parents urging, to accept admission to St. Michael's.

Before the fall of my second year at St. Michael's, my father suffered a coronary, which effectively ended his active employment for a year. Now recovered, he lives a life far different from the one he led before.

I, however, stayed in school all this time because through the Pell Grant and St. Michael's Aid Program, monies were made available to me to continue at St. Michael's. Through summer jobs and college work-study, I have been able to provide a goodly portion of my tuition and living expenses at school. I have also sought out, and have been awarded numerous scholarships, all of which supplemented the essential financial aid.

I might be an extreme example, but I have the feeling that even though my parents are both well and at work, my two younger brothers will never be able to obtain a quality education if federal financial aid is cut.

The financial aid program is the one hope of the middle-class family in sending their children to quality higher education. If cut as proposed, middle-class families could no longer afford higher education, and college would become a privilege of only the rich.

The Pell Grant under Title IV has been beneficial to me, and it probably made much of my higher education possible, but I fear for students in the future if the aid is cut or otherwise curtailed. I plan a career in higher education, and I believe that I will see a decline in students and educational quality in our institutions of higher learning if federal financial aid programs were cut.

Sincerely,

Albert Tremblay

AT/cd

Senator STAFFORD. Thanks.

Before I declare these hearings concluded, I will say that in the event any of the press are interested, Congressman Jeffords and I will be in the Fiesta room briefly once we have terminated this meeting.

Mr. JEFFORDS. Could you not have found a room with a different title, than that one? [Laughter.]

Senator STAFFORD. I am going to leave here in a festive mood. [Laughter.]

The meeting is officially concluded.

[Whereupon, at 3:12 p.m., the joint committee hearings were concluded.]

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